WORKING DRAFT: TAX AND GENDER, A DISCUSSION PAPER

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Introduction

A common rationalization by governments of developing countries for withdrawing from commitments social service provision including other development agenda, and handing this mandate over to the private sector is the inadequacy or lack of public resources. It is cited as a reason for not fully implementing priority social justice agenda, such as land reform and reducing social service budgets. It provides justification as well for attracting private sector investments, both foreign and domestic, notwithstanding lopsided business arrangements, and overly depending on external financing in the form of aid and loans, even with the conditions that disadvantage borrower countries.

These conditions compel us to look at tax revenues. It is a well-established principle that taxes are the lifeblood of a nation, meaning that tax revenues are a major source of public finance. Taxes are sanctioned by law, legally obligatory, and supposedly predictable to a significant degree in terms of timing and volume. However, in several developing countries, taxes are used for questionable ends, or pocketed by corrupt officials for private ends. At the same time, where taxation offers possibilities for raising revenues, taxes are not being collected. Policies aimed at attracting investments privilege foreign firms with tax perks and allow them to get away with huge profits remitted to their corporate centers abroad. They include mining ventures, water and power infrastructure projects and multinational manufacturing firms.

Tax measures can also cause inequitable conditions to deepen, such as those involving women and men and gender relations, which is the focus of this discussion paper. While generally discriminatory to poor households and individuals, various tax measures have been shown to add to already many forms of discrimination against women. These constitute not only violations of normative human rights standards but retrogressions as well because they promote systemic gender inequalities and in the process, impede women's enjoyment of their economic rights and their path to economic empowerment. This also means though, that tax measures can be reformed in a way that instead of reinforcing discrimination and inequity, contributes significantly to more potentially transformative, gender-just outcomes.

It should be stressed that our call for the cancellation of payments for illegitimate debts, which would free up resources for our development and our future, remains a strategic goal we continue to pursue. In the meantime, we cannot lose out by default on the potentials of tax justice advocacy and campaigning to advance our social justice agenda and goals, particularly in relation to fulfilling women's economic rights and advancing women's economic empowerment; and it can contribute to resisting and progressively transforming discriminations against women

[1]Based on presentations at the 12th Association on Women in Development (AWID) International Forum, Istanbul, Turkey and the People's Summit on the Defense of the Commons and Environmental Justice held during the UN Conference on Sustainable Development (Rio+20), June 2012, Rio de Janeiro, Brazil.

that are embedded in tax policies, gender gaps in employment, and the invisibility of social reproduction or care labor that women in great part render.

Tax systems and practices in developing countries in Asia

There are many differences in tax systems in Asia, and there is no single taxation model to speak of in the region. Nonetheless, they also have a number of similarities. For one, they share common elements or categories – direct taxes on income and wealth (personal income tax, wealth or inheritance taxes, corporate taxes); indirect taxes on consumption (VAT, certain sales taxes and excise taxes); property taxes (real estate, motor vehicles, other income-producing personal property); and trade taxes (import and export duties). Among developing countries in the region, tax systems also exhibit common trends that can be linked to development concerns.

Tax to GDP Ratio

The ratio of total tax to Gross Domestic Product (GDP) is a commonly used indicator of the effectiveness of a country's tax system. Many Asian countries have a comparatively low tax/GDP ratio as compared to developed countries such as Sweden, Denmark, Norway and the United Kingdom.

Table 1. Tax Revenue (% of GDP) in Selected Countries

	2007	**2008**	**2009**	**2010**
Bangladesh	8	8.8	8.6	--
Cambodia	9.7	10.6	9.7	10.1
India	11.9	10.8	9.7	9.5
Indonesia	12.4	13	11.4	10.9
Lao PDR	11.5	12	12.6	12.7
Malaysia	14.8	15.2	15.7	14.3
Nepal	9.8	10.4	11.8	13.3
Pakistan	9.8	9.9	9.3	10
Philippines	13.5	13.6	12.2	12.1
Sri Lanka	14.2	13.3	--	--
Thailand	16.1	16.4	15.2	16
Australia	24	24.1	22.1	--
Denmark	35.8	34.7	34.3	--
France	21.9	21.7	19.8	
Netherlands	23.4	22.8	22.6	--
Norway	28.8	28.3	26.6	26.9

(World Bank)

Admittedly, this measure is limited because it excludes many things such as the value of women's unpaid contributions to society, natural resource benefits, and public funds from government corporations. It cannot also be said that only rich, developed countries exhibit high tax/GDP ratios. For example, a country such as the US has a relatively low tax/GDP ratio because of its conscious move to reduce taxing the rich, while Nigeria has a high tax/GDP ratio because of oil resources that bring in significant non-tax revenues. However, a low tax/GDP ratio remains significant as it points to low levels of resources available for public needs and in turn, to the constriction of publicly subsidized services that women need, which constitutes a form of gender bias (Grown)

Main source of tax revenues

Developing countries also show similar patterns of sourcing revenues in relation to income levels. It has been observed that a greater portion of tax revenues (up to two-thirds) is sourced from indirect taxes in low-income countries, which is the exact opposite in high-income countries where indirect taxes amount to only about a third of tax revenues (International Development Research Center)

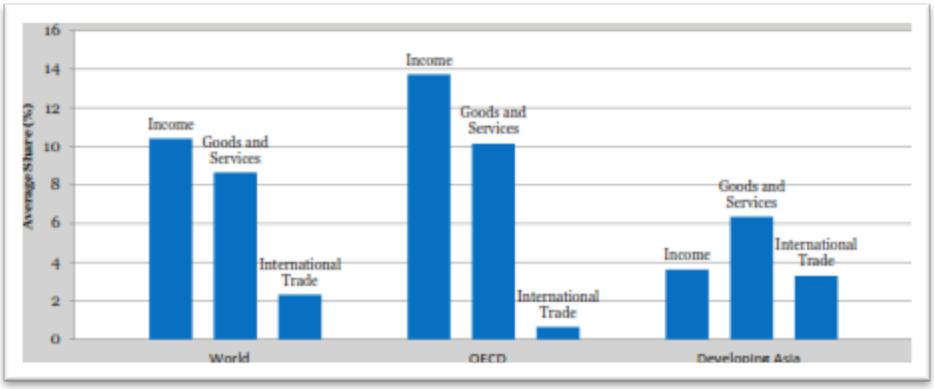
Indirect taxes, specifically VAT, is known to have become widespread among Asian developing countries trying to offset what they are losing from falling trade taxes due to (import liberalization/removal of export duties). (Figures 1 and 2) These same countries are also usually borrower-countries complying with the fiscal prescriptions of the International Monetary Fund and the loan conditionalities of international financial institutions such as the ADB, which include broadening the tax base through the imposition of indirect taxes. Seven of the 10 ASEAN member countries now collect VAT, with the Philippines charging the highest rate of 12 percent. (Figure 3)

Only in 2011, the ADB called attention to the low collection of personal income tax (direct taxes on income) in Asia and further recommended increasing and improving collection of consumption taxes (Value Added Tax or VAT), and indirectly promoted its application in countries without such a mechanism. "Value added tax receipts are also low as a share of GDP in many Asian countries and is a potential source of additional government revenue….VAT does not exist in, for example, Bhutan, Malaysia, Maldives, and Myanmar. For those countries where VAT exists, its collection can be increased by broadening its base…In countries where the VAT tax rate is low, it could be raised" (ADB 2012).

In many other Asian countries, however, governments source sizable portions of public revenues from indirect taxes. Countries like Bangladesh, replaced trade taxes with VAT, which now accounts for almost three quarters of government revenues. Tax officials reported at a 2012 IMF-sponsored tax conference in Japan, a growth rate of 33.25 percent in direct taxes for 2010-2011. However, indirect taxes still heavily overshadow direct taxes, at 71 percent and 29 percent, respectively, of total national tax revenues (Karim)

In Nepal's case, a single standard rate of 13 percent is being applied. More than a third of total tax revenues (36 percent) came from VAT as of 2011 (Subedi)

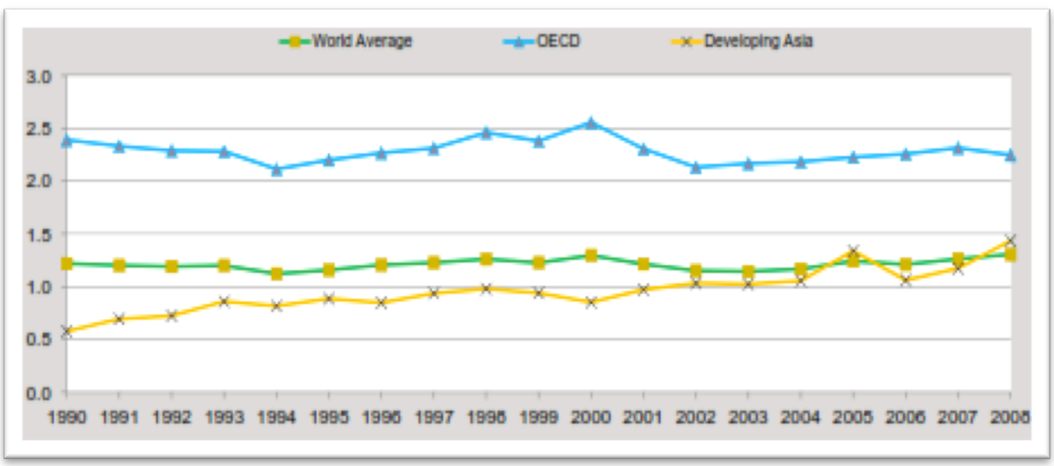
Figure 1. **Evolution of Selected Tax Instruments as Share in GDP: World Average, OECD and Developing Asia, Average 1991-2008**



Source: IMF Government Finance Statistics Database
Data at the consolidated general government level.

(Park)

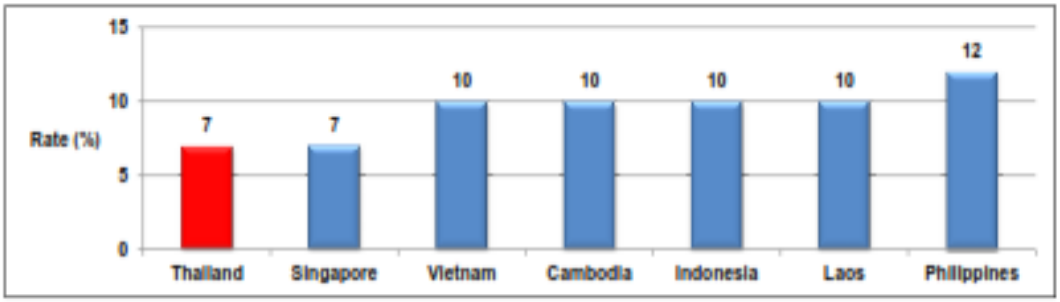
Figure 2. Increasing ratio of indirect to direct taxes



Direct tax is the sum of Taxes on Income, Profit and Capital Gains; Social Security Contributions; Taxes Paid on Payroll and Workforce; and Taxes on Property. Indirect tax is the sum of General Taxes on Goods and Services; and Other Taxes. The computation of indirect tax followed the indirect tax template found in the OECD Revenue Statistics 2011. Developing Asia refers to ADB DMCs in East (ex-PRC), South and Southeast Asia. PRC figures were excluded due to the absence of indirect tax data from 1995 to 2001. The following hierarchy was applied in using available data: consolidated general government data (accrual; cash); consolidated central government (accrual; cash); budgetary central government data (accrual; cash); extra-budgetary central government data (accrual; cash); state/regional data; and local government data (accrual; cash).

Source: IMF Government Finance Statistics Database available in CD-ROM and IMF e-Library.; and OECD Revenue Statistics 2011
(Park)

Figure 3. Standard VAT Rate of ASEAN-member Countries



Source:

(Kosolpisitul)

Gender as an analytical frame[2]

Gender analysis is a methodological tool that can enable us to examine why and how women and men are differentially impacted by laws and policies, such as policies on taxation. Though there are variations among various gender analysis frameworks, they can generally be described as "…a systematic effort to identify and understand the roles, needs, opportunities, and life circumstances of women and men in a given – or more often a changing – socio-economic context. Necessarily, gender analysis is more fully maximized when there is sex-disaggregated statistical information, but other types of information are needed, such as identifying –

- gender differences in the division of labor and the access to and control over resources;
- practical needs and strategic interests of women and men;
- power differentials and dynamics between men and women;
- social, economic, political constraints and opportunities facing women and men; and,
- assessing institutional capacities to promote gender equality.

(American Center for International Labor Solidarity 10)

Another useful definition is that of gender analysis as a process of "…[examining] the inequalities between women and men that result from social power relations in households, markets, and organizations." Such power relations stem from "stratifiers" that include race, ethnicity/caste, religion, economic status and of course, gender. As such, gender cannot be examined separately from the other stratifiers and "[w]hen analyzing the distributional impact of tax systems, it is therefore important to go beyond a mere focus on women as a distinct group in relation to men as a distinct group and to incorporate all relevant social stratifiers" (International Development Research Center).

[2] This section borrows heavily from Grown, Caren and Imraan Valodia. Taxation and Gender Equity, A comparative analysis of direct and indirect taxes in developing and developed countries. IDRC, 2010.

Understanding the gender-differentiated impacts of taxation requires appreciating certain empirical generalizations on how women and men differ in their economic life and participation in formal and non-formal economic activities. Grown and Valodia name four:

1. gender differences in paid employment – including formal/informal employment, wages and occupational segregation;
2. women's work in the unpaid care economy;
3. gender differences in consumption expenditure;
4. gender differences in property rights and asset ownership.

Gender differences in paid employment

One major difference is the unpredictability of women's participation in paid work, due to a variety of intersecting factors. "[W]omen enter and exit the labour force more frequently than do men, which means their participation is more discontinuous than is men's, and they are more likely to be in part-time and seasonal jobs, while men are concentrated more than women in full time positions."

In Asia and throughout the world, it is well recognized that employment and wage gaps persist in favor of men despite efforts at mainstreaming gender equality. Although Labor Force Participation rates for Asian women are generally higher than before, their paid employment still lags significantly behind men. Increasingly higher women's LFP must also be considered in light of wage gaps that make women's lowly paid labor more attractive to business firms.

"In 2010, women's labour force participation rates remain below 30 per cent in Northern Africa and Western Asia; below 40 per cent in Southern Asia; and below 50 per cent in the Caribbean and Central America. The gap between participation rates of women and men has narrowed slightly in the last 20 years but remains considerable" (United Nations)

This "untapped potential" of women in Asia – lost due to difficulties of participating in formal labor – has been estimated at US$42 – US$47 billion per year. Further, though the region boasted of economic growth of 6.2 percent from 2000-2007, surpassing the global average of 4.2 percent, average growth in women's employment was left behind at 1.7 percent or lower than the two percent global average. "These deficits are likely to have increased during the [financial] crisis,…, because women disproportionately shouldered the impact due to pre-existing gender inequalities. They include discrimination throughout the region's labour markets, inequality rooted in social-cultural norms and national policy and institutional frameworks that shape the employment opportunities of Asia's 734 million female workers" (International Labour Organisation and Asian Development Bank).

Another difference between men and women paid work is the concentration of the latter in informal to semi-formal labor. Capitalism has always been able to constitute its labor supply and demand, depending on the context; in the current period of crisis, we see the proliferation of labor contractualization such as home-based piece work (labor flexibilization) and other semi-formal work arrangements that draw in many women who must also attend to social reproduction labor at the same. "In developing Asia, women made up the "buffer workforce" – both within labour markets and as flexible and expanded workers, concentrated in informal jobs and within household as "secondary earners" (International Labour Organisation)

The pay gap or wage gap privileging male workers has also been marked in its persistence across many countries. A study by the International Trade Union Confederation (ITUC) of women's wages in 43 countries reported that on average, women are paid 18 percent lower than male counterparts. According to ITUC General Secretary Sharan Burrow: "'The pay gap remains frozen in time almost everywhere. Asia is the continent with the greatest wage differential between men and women with no progress made to close the gap for over a decade'" (International Trade Union Confederation).

What do all these imply in relation to gender and taxation? As Grown and Valodia point out: "The result of women's employment profile – their discontinuous employment, lower relative earnings and predominance in the poorly paid forms of informal employment -- means that they are unlikely to bear a large share of the personal income or direct tax burden ….However, their inferior employment status may also prevent them from accessing certain benefits afforded through the tax system to employees." Social security benefits, for example, leave out many women, as these are tied to the earnings of the formally employed and the higher paid, most of whom are men.

Another gendered inference can be drawn from women's low LFP rates relative to men and the growing share vis-à-vis direct taxes, of regressive indirect taxes such as VAT in raising tax revenues. Since more women are unemployed than men, a greater proportion of tax revenues is sourced from women through indirect consumption taxes. Moreover, the lower share of direct taxes in total tax revenues discriminates against women who generally earn less than their male counterparts.

Women's invisible, unpaid work

One of the clear gains made by women's movements is in the area of formal recognition of the work that women have historically and continue to heavily render – social reproduction or what is more commonly referred to as care labor – and its importance to the overall functioning of human societies everywhere.

For purposes of this discussion paper, we use the definition by Barbara Laslett and Johanna Brenner (1989), which refers to social reproduction as

> …the activities and attitudes, behaviors and emotions, responsibilities and relationships directly involved in the maintenance of life on a daily basis, and intergenerationally. Among other things, *social reproduction* includes how food, clothing and shelter are made available for immediate consumption, the ways in which the care and socialization of children are provided, the care of the infirm and the elderly, and the social organization of sexuality. *Social reproduction* can thus be seen to include various kinds of work—mental, manual, emotional—

> aimed at providing the historically and socially, as well as biologically defined care necessary to maintain life and to reproduce the next generation (Duggan).

Recognition of women's care labor has moved into mainstream language of UN bodies and other major multilateral bodies, and some North governments. UNDP studies, for example, have arrived at billion-dollar estimates of the economic value of women's unpaid work. . The UN Research Institute for Social Development made a study on six countries (South Africa, Tanzania, Argentina, Nicaragua, India and the Republic of Korea) and found out, among others, that women's unpaid work, were it given a monetary value, would fall between an estimated 10 - 39% of GDP. (Swedish International Development Agency) An OECD study also shows that by "…reducing the household time burdens on women could increase agricultural labour productivity by 15% and capital productivity by as much as 44% in some countries."

Another OECD study reported that "[c]ountries with the largest gender gap in unpaid work are also those countries where men devote relatively little time to unpaid work. Men's unpaid working time averages less than 1 hour per day in the three Asian countries Korea, India and Japan, 1.5 hours in China and South Africa, nearly 2 hours in Turkey and the four Latin countries (Italy, Mexico, Portugal and Spain), and 2.5 hours in the rest of the countries shown here" (Miranda).

Such discussions of women's care labor that stress women's huge contributions and the consequences of time-poverty relative to men are important in advancing calls for gender equity. However, the recommendations put forth have been limited to invoking (yet again) established rights and labor protections, increasing women's access to markets, and/or integrating women in (neoliberal) development. These have not also moved beyond formal recognition into concrete policy translations and implementation benefiting women has proven largely problematic and at best, limited and substantially disproportionate to the economic, not to mention the inter-generational, fruits of social reproduction work.

What is missing in these assertions and which are also relevant to the issues of women, work and taxation is the connection between social reproduction and production. "…[w]hat is hidden is not housework and houseworkers, but the capitalist relationship between production and reproduction. That is how the central problem for any economic system becomes seen as a narrow and peripheral women's issue" (Picchio, 95). She further points out:

> The nature of this relationship becomes evident in the context of a surplus approach to profit. Housework is the *production* of labour as a commodity, while waged work is the *exchange* of labour. To be exchanged, labour must be produced; to be used in the production of other commodities, labour must be produced and exchanged. This is not a question merely of time sequences but one of functional relationships between processes. While wages are a cost of production, housework as unpaid labour is a deduction from costs….[A] well fed and well clothed high waged workers costs his employer less than a badly fed, poorly clothed slave… (Picchio)

Many important gender and equity issues arise from bringing social reproduction into a discussion on tax justice. For example, since household work produces something of value (e.g. a well-functioning laborer) that can be exchanged in monetary terms, or replaced for goods and services which would otherwise have to be purchased from the market, should it not be considered as income of a kind? What would be the implications of treating women's household work also as income, specifically as "non-market production income", as differentiated from taxable market income? What equity issues are involved between households with care labor/non-market production income and households that have to acquire these from the marketplace? How are the taxes of male workers implicated, as they benefit from such non-market production which subsequently allows them to produce labor for other commodities and exchange this for wages? What is the potential for the regulatory function of taxation (the social "bads" and "goods") to be transformative of the gender division of labor historically disadvantageous and discriminatory to women?

Further, extending the lifeblood rationale (i.e., recognizing government as a necessary social good and thus authorizing the sovereign power to collect taxes for its maintenance and operations), if care labor is recognized as an input or an investment in the production of labor, how are capitalists who purchase labor implicated tax-wise?

Gender differences in consumption expenditure

Many studies show that although all people consume goods and services, there are gender differences in how households allocate their resources for consumption expenditures.

Taking an instrumentalist point of view (i.e., tapping women as one of the world's most underutilized resources), the OECD in 2008 contributed a report to the United Nations Commission on Sustainable Development (UNCSD) on "Gender and Sustainable Development, Maximising the Economic, Social and Environmental Role of Women".

A study of several Latin American countries women spending more on health care, food, education and other social goods, securing as much as they can the well-being of the household.

Gender differences in property rights and asset ownership.

The likelihood of women owning less land than men, or having land of poorer quality than men, is a common and historical occurrence in many regions of the developing world.

As of 2008, FAO estimated Indian women contributing 55-66 percent of total labor in farm production. Citing the 1995-96 Agricultural Census, it found that women account for only 9.5 percent of 115,580 000 operational landholders. This was attributed not only to legal obstacles discriminatory to women's access to land but also to "…socio-cultural factors, such as the practice of female seclusion or purdah, [preventing] women from claiming their rights to land. Even where women enjoy ownership rights, they do not exercise effective control over land, being unable to lease, mortgage or dispose of the land and of its products" (Food and Agriculture Organization of the United Nations).

In Nepal, women gained legal recognition for equal land inheritance rights with men in 1997. Yet, they were reported as of 2006 as comprising 65 percent of the agricultural workforce, and taking charge of up to 70 percent of the livestock production.

Tradition limits Pakistani women usufructuary rights over land or '"the right to the use, and to take the fruits of land for life only." However, they are also bound by purdah (seclusion). In some regions, such as Sindh, there are additional restrictive customary practices that allow women's use and management of land "…only through an agent, kamdar, and only on behalf of a very young son, if there is no male member in the family". FAO reported that "women's lack of knowledge is often used to deny their rights by saying that Quran does not give women the right to own land. Women work on the land and look after livestock; in many instances, payment for wage work is received by men."

Gender equity in taxation – towards substantive gender equality

"Equity", or fairness is a widely accepted parameter in evaluating tax systems. Many tax systems can claim to have vertical equity, which is to take into consideration the different economic levels of taxpayers and to accordingly assess taxes due. What is more difficult is addressing the hidden gender-discriminatory assumptions behind horizontal equity, another interpretation of fairness in taxation that taxpayers in the same economic situations should be treated equally for tax purposes. This is problematic because again, formal equality, which we know does not respond to inequalities and therefore does not lead to women's actual enjoyment of their rights, is again being applied.

If we applied this, all households and individuals earning the same amount of income would be treated the same for tax purposes. This also contains the notion – a patriarchal one – that there is only one kind of family or a household – the nuclear family, with male and female spouses and two children, and there is only one kind of work that earns income, which does not include women's social reproduction work or care labor. It also assumes that households and families are harmonious units with equal power relations.

This has resulted in systems, for instance, that use joint filing systems with the male-female couple considered as a unit. "Joint filing also provides labour market disincentives to second earners whose initial income is taxed at their spouse's marginal rate. Thus, joint filing introduces a number of other gender inequalities. Further, joint filing is likely to reinforce existing intra-household gender inequalities." For this reason, feminist economists see individual filing as more gender-equitable than joint or family taxation. Grown and Valodia quoting Sue Himmelweit (2002: 16):

> "[S]eparate taxation means men and women are taxed on and therefore face incentives based on their own income alone. This can be seen as a step towards gender equality in employment, since it favours a household with two earners over a single-earner household with the same income. Separate taxation also improves women's bargaining power within their households; as women usually earn less than their husbands, wives will generally gain from being taxed at an individual, rather than a joint, rate.

The failure to regard women's work as "income in kind" has also been shown by studies to foster inequalities between households, even under tax systems that even as they use individual filing. Single earner households usually pay higher income taxes than two-earner households as women's work does not come into the equation though it produces benefits for members and the household as a whole.

But the idea of quantifying unpaid domestic work remains contested.

> "…Some are concerned that the tax burden of low-income households would increase more than the tax burden of high-income households. Phillips (2002: 65) notes that many tax analysts agree that it is appropriate for one-earner couples with a breadwinner and stay-at-home spouse to pay somewhat more tax on their market income in order to offset the substantial tax-free economic benefits (goods and services) generated by the stay-at-home spouse's unpaid work. Moreover, as Elson (2006: 82) points out, taxes have to be paid in money, and cannot be paid through unpaid domestic work (one cannot bake a cake and take it to the tax office as part of the payment of the tax bill). She suggests that the value of unpaid work can be addressed in other ways, for instance, through the provision of tax allowances to women who participate in paid employment in order to offset some of the costs of buying substitutes for the unpaid domestic work they would otherwise do, or through the expenditure side of the budget in the provision of subsidized dependent care and other services."

We can further compare households with one earner, a "dependent" spouse and children to households with one earner, no "dependent" spouse and children. The provision of deductions for a dependent spouse means that single-parent households (usually women) end up bearing a larger tax burden than male-breadwinner households with financially dependent spouses.

All these points suggest that the issue of horizontal equity must be examined in greater detail so that "adjustments [can be] made to account for differences in household composition/earning structure and to incorporate unpaid work in the definition of taxable 'income'".

An important point to make in advocating for women's economic empowerment using tax justice issues is that the our perspective and analysis must go beyond noting and correcting explicit and implicit biases in tax systems. It must expansively target substantive equality or the notion that begins from the recognition that women and men are differently situated, and that gender-equitable measures are therefore needed to ensure gender equality in the enjoyment of results.

Substantive equality is one of the principles of the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW). While taxation is not explicit in the Convention, several articles highlight equity in relation to prevailing conditions discriminatory and disadvantageous to women. Article 1, for example, clearly states that being married cannot be used as a basis for any distinction, exclusion or restrictions. There's also General Recommendation 21 that families be founded on 'principles of **equity**, **justice** and **individual fulfilment** for **each member'**. This means that women are citizens in their own right, autonomous and therefore not to be dismissed, as tax policies in many countries commonly do, as the dependents of men.

Article 5 is also worth noting because it ‘requires State parties to modify social and cultural patterns of men and women to eliminate practices based on the idea of sex role stereotyping or the inferiority or superiority of either of the sexes’ (Grown and Valodia citing Inter-Parliamentary Union 2003). Thus, since tax measures are also justified as ways of changing behavior (as in the case of excise taxes on cigarettes and alcohol) one could also develop tax mechanisms and use tax regimes as one of the means towards resisting and transforming gender stereotypical roles.

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Gender equity dimensions of FDC's campaign on comprehensive tax reform

In 1994, FDC launched a campaign for a people-oriented tax system, pioneering a citizens' review of the tax system. Around that period of the mid-90s, it proposed an individual tax exemption level of Php200,000 for a two-income earner family of six, translating to a basic exemption level of P80,000 per income earner regardless of civil status and an additional P10,000 exemption per dependent. The proposal was based on the living wage, meaning the level of wages at which people are able to meet their basic needs for a decent life. (Freedom from Debt Coalition)

FDC included among its demands an additional exemption of P80,000 for a non-income earning but working spouse, in recognition and as a valuation of women's unpaid work. This also served as a way of addressing the further strain on poor households' budgets and the additional burdens to women resulting from the impacts of IFI-imposed structural adjustment policies that drastically cut wages, budgets for social services and increased indirect taxes.

Recognizing as well the increasing number of women-headed households, FDC called on government to support single-headed households wherein the single head of the family carried the sole burden of having to provide for children and, at times, other relatives. FDC proposed additional Php 2,000 tax credit for a maximum of four dependent in addition to the Php10,000 tax exemption for each.

In 2008, the Tax Exemption for Minimum Wage Earners Act was passed, allowing a Php50,000 annual income tax exemption for single or married minimum wage earners. Single-headed households (mostly of women) can thus avail of the exemption rate, same as married couples. Though still short of the coalition's proposal of Php80,000, the enacted measure provides an additional Php25,000 tax exemption for each dependent child, greater than what had originally been proposed.

However, issues of discrimination against women remain unaddressed by this legislation. Even as single-headed households can claim the same exemption rate as married couples, they single women breadwinners are still disproportionately overburdened. They end up juggling both productive and reproductive work, thus worsening their time-poverty. Usually, they are forced to pay for outside care labor services, which ultimately use up what little tax credits they are able to claim.

Other explicit biases have not been corrected to this day. One example is in the guidelines of the Philippines' Bureau of Internal Revenue (Form No. 1701A) which states that "[t]husband shall be the proper claimant of the additional exemption (for qualified dependent children) …. unless he explicitly waives his right in favor of his wife."

Feminists have also raised questions as to the basis for limiting qualified dependent children to only four. Not only does this discriminate against poor women but unjustly penalizes them for the consequences of the state's own failure to pass a comprehensive reproductive health law and hence, the inability to allocate public resources for modern family planning methods.

JSAPMDD Framework on Fiscal Justice (A Work in Progress)

As part of continuing efforts to develop a tax justice campaign, JSAPMDD has outlined the following starting points and principles. The challenge is to integrate into it a more explicit gender perspective and flesh this out with country-level policy contexts and experiences of member-organizations and specifically, women, in the alliance.

- Taxes and taxation involve people's resources. Peoples' movements and citizens groups should be concerned about this issue and the questions of who should be taxed, how taxation should be done, and how revenues from taxes should be spent.

- The state's right to tax goes hand in hand with the state's obligations to protect and uphold the rights of its citizens, promote equity and justice, provide for essential services and, be transparent and democratic in formulation and implementation of budget, spending and policies.

- The neglect, non-fulfilment and violation of these obligations results in the erosion of the legitimacy of the state. And a state or government whose legitimacy has been eroded also loses its peoples' support and thus will be unable to compel people to pay taxes no matter how progressive its tax structure may be.

- Taxes should promote equity and redistributive justice. Thus, it is fundamental that it be designed and implemented in an equitable and just manner. Those who have more (income and assets) should give more.

- Regressive taxes policies are those which do not account for differences in economic capacities and involve a comparatively heavier burden on low income classes and sectors . Taxation should not be an additional burden to those who do not earn enough or those who earn just enough to meet their basic needs and live a decent and humane life.

- Taxation is a means to raise revenues for the state to fulfill its obligations. Its ability to meet these obligations is affected by its capacity to raise revenues. It is vital that the state effectively and efficiently enforce tax policies that are just and progressive together with other programs and policies that strengthen the domestic economy. Governments must move away from reliance on borrowings and depending on aid.

- The raising of revenues however should be accompanied by transparent and participatory budget processes and a spending policy aimed at realizing social and environmental justice and people-centered development.

- Taxes should not be used to violate rights, undermine people's development and national sovereignty and cause harm to the environment. (Jubilee South Asia Pacific Movement on Debt and Development, http://www.apmdd.org/our-programs/global-and-public-finance/resources)

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