

ACKNOWLEDGEMENTS

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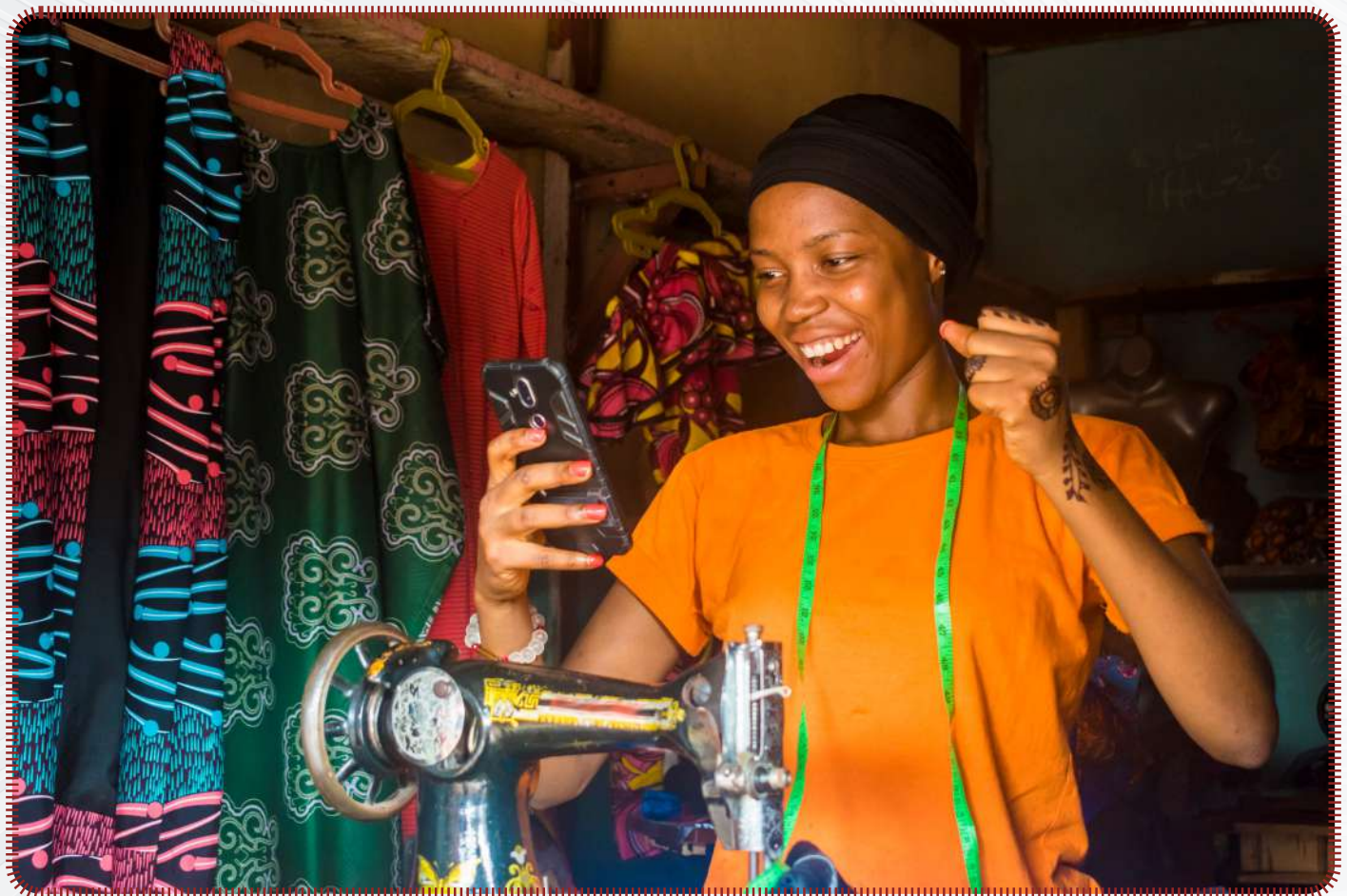
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Disclaimer

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INTRODUCTION

The language of fiscal policy might often feel like navigating a highway of technical jargon. However, beneath the surface of statistics and budgets lies a powerful tool for achieving social justice: fiscal justice. While balanced budgets and macroeconomic stability might seem like the ultimate goals, we must delve deeper and ask: how can fiscal policies empower women and girls to reach their full economic potential? This exploration unveils the crucial role fiscal justice plays in ensuring equitable access to resources, reducing gender inequality, and paving the way for a more inclusive and just future. By engaging with this advocacy guide African feminist economists are invited to embark on a journey where fiscal justice transcends mere financial metrics, becoming a powerful instrument for advancing gender equality and building a future where every woman and girl can thrive.

Fiscal Policy:

[Fiscal policy](#) refers to the use of taxation and spending by governments to influence the economy. In this regard, governments make decisions to determine levels of taxation, expenditure or borrowing. The objectives of fiscal policy are often centered around the need to stabilize the economy, promote economic growth, control inflation and ensure income redistribution to address challenges of inequality. Fiscal policy is therefore essential for influencing and shaping the economic environment and achieving macroeconomic objectives including full employment, price stability, and sustainable economic growth.

Fiscal Justice:

[Fiscal justice](#) refers to the fair and equitable distribution of the burden of taxation and public expenditure within a society. It encompasses principles of fairness, equality, and efficiency in the allocation of financial resources by the government. Fiscal justice seeks to establish a tax system whereby those with higher incomes or wealth contribute proportionately more to public revenues than those with lower incomes or wealth. It also seeks to ensure that public resources are allocated in a way that promotes social welfare, human rights and addresses inequalities.

Why is fiscal justice essential for women and girls to exercise their economic rights?

Fiscal justice is vital for the wellbeing of women and girls for several reasons. Fiscal justice for women and girls ensures:

1. **Equitable Access to Resources for women and girls:** Fiscal justice ensures that taxation and public expenditure policies are equitable aiming to overcome gender inequities in accessing resources. By implementing progressive tax systems and allocating resources to essential public services such as education, healthcare, and social protection, fiscal justice can enhance women's and girls' access to essential services and opportunities.
2. **Reduction of Gender Inequality:** Tax and expenditure policies that promote fiscal justice can contribute to reducing gender inequality by addressing structural and systemic barriers that limit women's economic opportunities and empowerment. For example, in countries like [Rwanda](#), it has been proven that investing in education and skills training programs can enhance women's employment prospects and earnings potential, from moving from precarious employment to narrowing the gender wage gap and promoting economic equality and decent work.
3. **Enhanced Social Protection:** Fiscal justice can support the implementation of social protection programs that specifically target women and girls, such as provision of maternal and child healthcare services, establishing support centres for survivors of gender-based violence, among others. These programs can provide crucial financial support and safety nets for women and girls facing economic hardship or vulnerability due to various socio-economic factors, ultimately promoting



their well-being. For example, in [South Africa](#) the Government has provided social grants, including child support grants and old-age pensions. These programs have contributed to addressing economic vulnerabilities in the country and have led to an improvement in the lives of women and girls, especially those in marginalized communities.

4. **Achievement of Women's Rights:** Fiscal policies that prioritize gender equality and women's rights contribute to advancing women's empowerment and autonomy. By addressing discriminatory practices in taxation and public spending, fiscal justice can help challenge gender norms and stereotypes that perpetuate inequalities and marginalization of women and girls in society.



KEY MESSAGES FOR THE ADVANCEMENT OF FISCAL JUSTICE FOR WOMEN AND GIRLS IN AFRICA

To achieve fiscal justice for women and girls, it is important that:

Message 1: Generate and Provide Gender Disaggregated Data

How it should be achieved and by whom?

Ministries of finance and revenue authorities should mandate the collection of gender-disaggregated data across various tax heads and on government expenditure. This data should capture information on taxes paid vs. income earned, expenditure patterns, asset ownership, employment status, access to public services, and access to social welfare programmes. All this should be disaggregated by gender.

Governments should invest in building the capacity of relevant institutions and stakeholders to collect and synthesize gender-disaggregated data to inform fiscal policymaking. This may involve training policy makers and revenue administrations on data collection methodologies and gender analysis.

Governments should establish mechanisms for monitoring and evaluating the impact of fiscal policies on gender equality. Governments can regularly assess the effectiveness of policies in addressing gender disparities and propose adjustments based on gender-disaggregated data.

Why are we concerned?

Lack of gender disaggregated data makes it hard to determine the contributions of women and girls to overall tax revenue, which is critical in formulation of gender responsive tax policies and appreciating the contribution of women and girls to overall tax revenue.

Failure by governments to access gender disaggregated data limits their ability to integrate gender analysis into the formulation, implementation, and evaluation of fiscal policies and budgets. This leads to the continued existence of gender-neutral fiscal policies that further gender disparities and pay limited attention to the needs of women and girls.



Message 2: Strengthen Gender Responsive Budgeting

How it should be achieved and by whom?

[African governments should practice and strengthen gender responsive budget through a five-step process in which they:](#)

- i) Conduct a gender analysis of the situation of men, women, girls and boys in a particular sector to ascertain their status and needs;
- ii) Conduct an analysis of how policies and programmes address the gendered nature of the situation;
- iii) Conduct an analysis of whether the assigned allocations are sufficient to implement gender responsive policy;
- iv) Monitoring of expenditures and implementation of policies assess whether funds were spent as intended; and
- v) Evaluate outcomes to assess the impact of policy and expenditure and ascertain its contribution to the government gender equality commitments.

Why are we concerned?

Gender Responsive Budgeting (GRB) is crucial as it recognizes that public expenditures can affect men, women, and vulnerable groups differently due to various factors such as social roles, demographics, and vulnerabilities. Initiated by some African governments, GRB aims to address inequalities arising from gender, age, disability, and geographic location through national budget processes. It serves as a strategic approach to tackling gender and other forms of inequality, aligning with the gender equality agenda embraced by governments, development agencies, and civil society organizations. By integrating gender considerations into budgetary decision-making processes, GRB ensures that public resources are allocated to promote gender equality and social inclusion, leading to more equitable distribution and effective utilization of resources for the benefit of all members of society.

[In Uganda](#), the existence of the poor health services in government health facilities, forces most people to revert to private healthcare providers, hence increasing their out-of-pocket spending. Existing data revealed that actual household out-of-pocket expenditure to current total health expenditure increased from 37% in 2011/12 to 41% in 2013/14, owing to the increase in population spending on healthcare outside the public facilities.

[In Zambia](#), the National Gender Policy recognises the critical role that women play in sustaining a productive agricultural sector but identifies that they experience unequal access to land and other inputs. Despite the recognition, the 2019 Labour Force Survey revealed that pf the formally employed population in agriculture, only about 33 percent were female while 67 percent were male indicating that a lot more need to be done by the government to implement gender-responsive policies to increase the participation of women in agriculture. Further, it is critical for the government to secure women's rights over resources such as land and water.

Message 3: Strengthen Women and Girls' Participation in Fiscal Policy Processes

How it should be achieved and by whom?

Governments should create structured spaces for the engagement of women and girls in fiscal policy processes right from the community to the national level.

Governments should create awareness on fiscal policy by providing simplified and translated information on annual tax and budget measures to enable citizens understand and appreciate them and engage government accordingly.

Why are we concerned?

When women and girls do not participate in fiscal policy processes, they are unable to voice their concerns on their most pressing needs. As a result, governments can incorporate these needs while designing tax and budget policies.

[In Uganda, CSOs have been trained on how to engage their governments and demand for Fiscal Justice for Women and Girls.](#) As a result, there have been wins registered towards improvement in the tax and budget systems, both at the national level and within local governments.

Message 4: Rebuild the Social Organisation of Care

How it should be achieved and by whom?

There should be **recognition** of care as a human right and its social and economic value; **reward** and remuneration of care work through equal pay for work of equal value, decent pensions, dignified working conditions and comprehensive social protection; **reduction of** the burden of unpaid care work on women and **redistribution** care work within households and between households and the State; and **reclamation** the public nature of care services by restoring duty to the State for public care services and mobilizing financing for this through fair and progressive taxation

Why are we concerned?

[Africa is identified as the world region with the most “unshared system of care”, with 70 percent of care provided by women within the family. Outside the family, volunteer or scantily remunerated women are employed by public, private and non-profit institutions to provide the remaining, 30 percent of care, with very limited resources.](#)

The unpaid care work inhibits women's ability to compete favourably with men in other formal jobs, education among others, therefore disadvantaging them.



Message 5: Make Tax Systems Progressive

How it should be achieved and by whom?

Governments should strengthen efforts to boost collections from direct taxes by imposing taxes on property and income of the wealthy and big multinational corporations.

A global tax body under the auspices of the United Nations should be established to allow for the existence of a truly inclusive, transparent and country-led negotiation process that allows for African countries to take part in discussions and protect their taxing rights to raise revenue towards improving the wellbeing of women and girls.

Why are we concerned?

In Africa, [personal income taxes make up only 17.4% of the total tax revenue](#). Value added taxes on the other hand contribute up to 27.8% of the total tax revenue. Personal income is primarily – up to 95% – collected from employees of formal businesses through the pay-as-you-earn system.

Reliance on indirect taxes such as VAT is known to disadvantage low-income earners especially women and girls who spend a large proportion of their income on consumer goods. This limits women and girls' access to basic goods and services.

Allowing the OECD to lead the design of global tax rules enables it to make decisions on the allocation of taxing rights biased towards the interests of larger and richer countries, at the expense of the world's poorest countries. More still, tax negotiation processes in the OECD remain highly secretive with over one-third of the world's countries not participating in the negotiations and the least developed countries strongly under-represented at the table. These instruments, when adopted perpetuate the existence of weak tax systems in African countries like Uganda hence facilitating tax avoidance and evasion especially by Multi-National Corporations. This limits the ability of African countries to raise resources that can be directed towards financing the wellbeing of women and girls across the continent.

Message 6: End Harmful Tax Incentives and Exemptions

How it should be achieved and by whom?

African countries, within their Regional Economic Communities and across trading blocs should harmonise their tax policies and rates to avoid tax competition and a race to the bottom.

Governments should establish clear guidelines on how tax incentives and exemptions are to be awarded. This will ensure that tax incentives and exemptions are not given away on a whim and are accessed fairly by everyone.

Governments should conduct a cost benefit analysis for all tax incentives and exemptions that are awarded by governments to companies. This will enable countries ascertain the benefits and losses arising from the award of tax incentives and exemptions to companies.

Governments should regularly publish tax expenditure reports to provide information on the tax incentives and exemptions awarded. This will provide citizens with a tool to monitor the extent to which projects benefitting are fulfilling the set conditions.

Why are we concerned?

With the expectation to attract Foreign Direct Investment African Governments have provided numerous tax incentives and exemptions that cost the [countries in Sub-Saharan Africa over US\\$38.6 billion a year](#) in-revenue loss.

Governments' failure to regulate tax incentives and exemptions allows for big corporations which often male-owned to avoid paying taxes on their huge profits. This is often at the expense of small women-owned businesses which end up paying more taxes despite their meagre earnings.

The existence of numerous tax incentives and exemptions which are often awarded to foreign companies promotes unfair competition among local and foreign companies. With foreign companies benefiting from tax incentives and exemptions, they are able to lower their cost of production and sell their products at lower prices hence out-competing local producers. As women own majority of small businesses, such practices are bound to hinder the growth of their business hence keeping them in cycles of poverty.

When governments award numerous tax incentives and exemptions, they are forced to impose regressive taxes to compensate for the revenue loss.



Message 7: Prudently Manage Resources to Maintain Sustainable Debt Levels

How it should be achieved and by whom?

Governments must prioritize transparency throughout the entire process of negotiating, acquiring, and utilizing loans and ensure accountability for the loans acquired. It is imperative for both the governments and lenders to disclose all loan agreements on publicly accessible databases immediately upon contract signing.

There should be a reform of the global financial architecture to establish a multi-lateral debt negotiation mechanism that includes all lenders, including private sector to negotiate favourable debt terms and protect the interests of African countries to ensure that they maintain sustainable debt levels.

Why are we concerned?

High debt levels reduce the fiscal space for African countries and force them to adopt austerity measures including budget cuts to critical sectors such as health, education, and infrastructure; impose regressive taxes and resort to privatisation of basic goods and services. All these limit women's access to their basic needs hence deteriorating their quality of life.

In Uganda, for the Financial Year ending June 2022, the debt service to domestic revenue stood at 34.1% compared to 30.6% in the previous year.

[The total external debt of Africa was estimated at \\$1.1 trillion in 2022. This was expected to rise to \\$1.13 trillion by 2023.](#)

Message 8: Set Up and Maintain Emergency Funds

How it should be achieved and by whom?

Governments should establish and maintain commitments to resource national contingency funds which serve as a pool of funds specifically allocated to respond to emergencies and disasters. This will enable governments to quickly mobilise financial resources to address urgent humanitarian needs, such as natural disasters, disease outbreaks, and other emergencies.

Why are we concerned?

Given the high indebtedness among African countries, many of them have not been able to set up or maintain existing emergency funds. Therefore, in event that an emergency or disaster occurs, inadequate funds to address emergencies often forces governments to introduce austerity measures including cuts in spending on social sectors e.g. education, health, agriculture and water. The cuts in social sector spending disproportionately affects women resulting to fiscal injustice.

Message 9: Curb Illicit Financial Flows

How it should be achieved and by whom?

African governments should create or reinforce the independent government entities and agencies that work on curbing IFFs (for example, financial intelligence units, anti-fraud agencies, customs and border agencies, revenue agencies, anti-corruption agencies and financial crime agencies). These organisations should provide regular reports on their activities and findings to the government.

African countries should strengthen the capacity of their policy makers and tax administrators to enact and implement laws that close loopholes in tax systems which allow for tax avoidance and evasion. Countries should strengthen transfer pricing regulations, provide rigorous training to tax administrators and create stand-alone transfer pricing units. Emphasis should also be relayed towards enacting and enforcing rules on Beneficial Ownership to enhance transparency and compliance especially by the big corporations.

African Governments should create systems for information sharing and coordination among the various government entities and agencies in charge of curbing IFFs, with the coordination being led by the countries' financial intelligence units. Banks and financial institutions have a critical function in curbing and eliminating IFFs. Vigorous systems should be put in place for the supervision of these entities and agencies. The system should require compulsory/mandatory reporting of transactions associated with illicit activities. Some of the gender related illicit activities include the exploitation of young girls and women, for example, child marriages, forced prostitution, forced drug trafficking, child labour and so on.

Why are we concerned?

Generally, [Africa loses about USD88.6 billion in illicit financial flows annually](#). Monies lost through IFFs prevent African countries from fulfilling their budgetary commitments with regards to health and education. The ripple effect of this is that many more girls and women are forced to abandon their education and/or take care of ailing relatives respectively. This leads to extreme poverty, leaving more women, girls and children susceptible to human traffickers. This results in gross human rights' violations.



Fiscal justice is feminist justice: Achieving economic justice for women and girls is fundamental to achieving true gender equality in all aspects of life.
#Femonomics



ADDITIONAL RESOURCES:

- (FEMNET & NAWI, 2022), WEAVING OUR FABRIC Framing an African Feminist Public Services Agenda: <https://femnet.org/wp-content/uploads/2023/03/Weaving-our-Fabric-Final-WEB-spread-3.pdf>
- (FEMNET, FOWODE and Oxfam, 2019), GENDER TRANSFORMATIVE BUDGETING A guide for Pan African Parliamentarians: <https://www.femnet.org/wp-content/uploads/2019/11/FEMNET-Gender-Responsive-Budgeting-2019-final.pdf>
- (FEMNET, 2021), DEBT & WOMEN'S RIGHTS: A PAN AFRICAN FEMINIST PERSPECTIVE, 2021: https://www.femnet.org/wp-content/uploads/2022/10/AFMA-Report-2022_Optimised.pdf
- (FEMNET, 2018), Fight-Corruption-Finance-Gender-Equality, 2018: <https://femnet.org/wp-content/uploads/2018/06/Policy-Brief-Fight-Corruption-Finance-Gender-Equality.pdf>
- (FEMNET, 2017), What are the Gender Dimensions of IFFs? Strengthening African Women's Engagement and Contribution, 2017: <https://www.femnet.org/wp-content/uploads/2017/07/FEMNET.-Gender-and-IFFs-Summary-Report.pdf>
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VOICES FOR EQUALITY

AN ADVOCACY GUIDE TO FISCAL JUSTICE FOR WOMEN & GIRLS IN AFRICA



The African Women's
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