

# Gender And Taxation: India

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## Abstract

India is a socialistic, mixed-economy country that has a lot of cultural diverse culture. Its socioeconomic structures show big differences in various genders in aspects of opportunities, resource accessibility, as well as accumulated inequalities due to roles & responsibilities of a gender. The purpose of this research is to examine the impact of taxation on women in the Indian context. To that end, this study shall examine if the tax system (TS) is catalytic in achieving social objectives primarily focussing on the interplay of gender gaps and taxation, whether Indian taxation regime is fair with horizontal and vertical equity and if it promotes sustainable and inclusive growth while factoring in the gender perspective on tax policies? Due to the responsibilities of childbirth and child care as well as other factors, Indian women have traditionally had a smaller role in the formal workforce than their male counterparts. The goal of this descriptive study is to see if preferential tax treatment for the more equal sex results in gender mainstreaming and greater equality for women. Several fiscal and tax reforms, as well as a lot of tax controversy, are on the Indian government's to-do list because multilateral corporations use tax evasion and tax avoidance tactics that are bad for the country. The Indian government's Ministry of Finance is always trying to raise more money to pay for things like building roads and schools. They do this by widening and deepening the tax base. This study is new because it looks at more than just the gender dimension of tax provisions. It also looks at how women are represented in tax administration and tax law. Public finance is thought to be mostly run by men. Lack of data and research shows that tax policies are not made or implemented with a gender perspective in mind. Such a lack of literature makes this study both important and difficult.

**KEYWORDS:** Indian Tax Administration, Gender Equality, Positive Discrimination, Gender Perspective

## 1. INTRODUCTION

**“Development if not engendered is endangered and no society can be called developed if one half of humanity remains voiceless, invisible and undervalued.”<sup>1</sup>**

**Mahbub-ul Haq**

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<sup>1</sup> Mahbub-ul Haq.-“ *Human Development in South Asia 2000; The Gender Question*”, O.U.P., p. 226, 2000.

Earth is home to approximately 7.96 billion people today and projected to reach 8.5 billion in 2030. Women make up about ½ of this group, but a cursory look at the demographic trends as well as statistical data shows that there are huge gender differences in almost every area of development India's rate of literacy was seventy-four percent in 2011: eighty-two percent for males as well as sixty-five percent for females, as well as only about one-fourth of adult females in India were hired in 2012, especially in comparison to 4/5<sup>th</sup> of the adult male population.<sup>2</sup> Therefore, between 2005 & 2012, approximately twenty million women were absent from the working population.<sup>3</sup> When it comes to the percentage of women in the workforce, India ranks 120<sup>th</sup> out of 131 countries in the world. This doesn't mean that India doesn't have a lot of violence against women, but it does mean that there aren't as many women working in business as there should be. This is less than ½ of the global average and doesn't compare well to China, for example.<sup>4</sup>

It's important to bridge both economic and social gender gaps so as to increase the number of women in India's workforce by 10 percent by 2025, which would mean an extra 68 million women working.<sup>5</sup> India's development could be significantly accelerated by increasing female employment levels by 10 percent, which would result in an additional 700 billion dollars in GDP by 2025 (or a 1.4 percent increase).<sup>6</sup>

However, comprehensive transformation is required because inclusive & SD (sustainable development) is still a long way off when half of the population isn't participating fully in the economy. As a result, women's participation in the workforce must increase significantly for India to achieve higher levels of development & growth.<sup>7</sup> Gender equality/Gender parity (GE/GP) is very important to whether and also how societies & economies do well and grow.<sup>8</sup> Ensuring that half of the global skilled workforce is developed properly and appropriately implemented has a significant impact on global economic growth, competitive nature, and business readiness for the future.<sup>9</sup>

As part of the “Sustainable Development Goals (SDGs)” that were accepted in the year 2015, the world decided to end poverty by 2030, which included an objective to "accomplish gender equality and empower all girls & women," targets to "give women equal rights to economic resources" & to "identify and value free care and domestic tasks via the provision of public services." <sup>10</sup> It has been estimated that it will cost somewhere around \$3 and \$5 trillion to achieve the Millennium SDGs which have a goal on GE. Nations will have to raise these funds

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<sup>2</sup> Ministry of Labour Employment-“ *Annual Report 2017-18*”, M.O.L.E., 2000.

<sup>3</sup> Annette Dixon, Women in India's Economic Growth, 2018. available at <https://www.worldbank.org/en/news/speech/2018/03/17/women-indias-economic-growth>.

<sup>4</sup> United Nations- “*The Global Economic Crisis and Gender Equality*”. N.Y.:UN Women. 2014. U.N. Women- “*Progress of the World's Women 2015-2016: Transforming Economies*,” Realizing Rights. New York: UN Women 2015.

<sup>5</sup> Jonathan Woetzel, Anu Madgavkar, Rajat Gupta, James Manyika, Kweilin Ellingrud, Shishir Gupta, and Mekala Krishnan- “*The Power of Parity: Advancing Women's Equality in India*”, McKinsey (2015).

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> World Economic Forum, The Global Gender Gap Report 2017.

<sup>9</sup> Ibid.

<sup>10</sup> UN – “*Sustainable Development Goal* “ 2015. available at < [https:// sustainabledevelopment.un.org/sdg5](https://sustainabledevelopment.un.org/sdg5)>.

to pay for development costs. Thus, mobilization of progressive tax (PT) will be a critical form of financing.<sup>11</sup>

As part of the “3<sup>rd</sup> Millennium Development Goals (MDGs)”, India set goals for GE and the empowerment of women. The goal was to reduce gender inequality (GI) both in primary as well as secondary education (edu.), by 2005, as well as in all educational levels by 2015. In terms of different parameters/segments, the performance of India is as follows:<sup>12</sup>

- Gender Parity Index (GPI) is the ratio of females to males in primary with - 1.03 % (2015-16), secondary with 1.02 % (2015-16), & tertiary with 0.92 % (2015-16) of education
- Literacy rate of women between the ages of 15 and 24 years - 0.91 percent (2011)
- The contribution of women who work for pay in the non-agricultural industry is 19.3 percent (2011-12)
- Women hold 11.98 percent (2017) of seats in the National Parliament

GP & inclusion are the concepts of this year's "International Women's Day," which is observed on March 8th. However, the "World Economic Forum's 2017 Global Gender Gap Report" estimates that gender pay parity will take more than two centuries to achieve.<sup>13</sup> As per the United Nations: “Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.”<sup>14</sup>

Since the commencement of "4<sup>th</sup> World Conference on Women" in 1995, when the Beijing Platform<sup>15</sup> was accepted, and the implementation of the SDGs in 2015, there has been a lot more emphasis on how the laws related to tax affect the lives of the women, affect their full rights to property, income, & public services, as well as transmit gender specific society's expectations & stereotypes within societies, throughout all borders and across generation to generation.<sup>16</sup> Despite this, there is a lack of research on the impact of gender on taxation as well as revenue.

This paper describes the effects of gender of tax policies (TPs) of India against the prospect of socioeconomic facts of GI in the social, economic, legal, as well as political spheres; the MDGs reverberating worldwide attempts to eradicate poverty & discrimination against women<sup>17</sup>; and the scope of TP to prioritize taxation for GE and women's empowerment.

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<sup>11</sup> Ibid.

<sup>12</sup>National Sample Survey (NSS) reports and National Family Health Survey (NFHS) reports, available at [http://mospi.nic.in/sites/default/files/publication\\_reports/India\\_in\\_figures-2018\\_rev.pdf](http://mospi.nic.in/sites/default/files/publication_reports/India_in_figures-2018_rev.pdf) last viewed on 15.01.2019.

<sup>13</sup> Supra Note 8.

<sup>14</sup> UN General Assembly (United Nations General Assembly). 1980. Convention on the Elimination of All Forms of Discrimination against Women. GA Res. 34/180, 34 UN GAOR Supp. (No. 46) at 193, UN Doc. A/34/46; 1249 UNTS 13; 19 I.L.M. 33 (CEDAW).

<sup>15</sup> UN (United Nations). 1995. Beijing Declaration and Platform of Action, adopted at the Fourth World Conference on Women, 27 October 1995. A/ CONF.177/20 and A/CONF.177/20/Add.1.

<sup>16</sup> Lahey, Kathleen a. – “*Gender, Taxation and Equality in Developing Countries, Issues and Policy Recommendations*,” UN WOMEN, 2018.

<sup>17</sup> Gender is conceptualized as the social meanings given to biological sex differences.

Gender-related impacts of direct taxes, as well as encouraging alternative TPs, are examined in this approach.

## TAXATION SYSTEM

There are a wide range of functions that TS perform in society, from allocating resources and raising revenue for the benefit of society to promoting social and economic policies that improve the quality of life for all citizens.<sup>18</sup> Society's value systems are formed through this process; as a result, people are informed about their proper place in society, the dominant perspectives become more firmly established, and individuals learn about their own significance as well as insignificance.<sup>19</sup>

People, households, companies, as well as the economy as a whole are all affected by taxation because it has a direct impact on earnings and prices, which in turn influences choices in life regarding work, consumption, savings, as well as investment.<sup>20</sup> So, in order to fully understand the effects of fiscal policy (FP) of govt., it is important to include a gender outlook in both public budgeting & TP decisions.<sup>21</sup> Gender points of view were considered in public finance decision-making two decades ago, when officials consented to do so at the 1995 "United Nations World Conference on Women" in Beijing.<sup>22</sup>

Such integration became necessary as our society has undermined the role of half of humanity in modern economic reality, attributing these GI to a complex interrelations of factors such as biology, social and economic conditions that interact with multivariate factors such as ethnicity, social and legal structures, historically stereotyped and gendered roles and jobs in society, and dynamic cultural patterns of rewarding and recognizing paid and unpaid labor. Thus, the current situation isn't really a byproduct of current arrangements, but rather a reflection of a historical account of social, economic, and legal structures that have evolved over time throughout the world.<sup>23</sup>

Tax is a compulsory financial contribution to finance government spending necessary for a functioning society, of which women are disproportionately beneficiaries due to their higher likelihood of being low-income, caring for others, and relying heavily on government spending on social security and public services. Women face drawback on every global criterion, are forced to perform unpaid care work for elderly & children. Thus, they are frequently the victims of violence. Govts. intend to give their women their rights and have the responsibility

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<sup>18</sup> Deborah Lewis, *'Delving into the Structure of the Income Tax Act: How the Tax Unit and Tax Base Impact on Women and Same-Sex Couples'*, University of Toronto 2000.

<sup>19</sup> Ibid.

<sup>20</sup> Bianca Pfeuffer & Sören Weißert, - *'Gender Bias in Tax Systems: The Example of Ghana'*) Accountancy Business and the Public Interest, Vol. 5 No. 2, 2006. <<http://visar.csustan.edu/aaba/Ghana.pdf>> .

<sup>21</sup> Ibid.

<sup>22</sup> Kathleen Barnett & Caren Grown-*'Gender Impacts of Government Revenue Collection: The Case of Taxation'*, Taxation and Gender Impacts doc, ISBN 0-85092-788-9, Commonwealth Secretariat, 2004. Available at- <[https://www.shareweb.ch/site/DDLGN/Documents/Gender%20Impacts%20of%20Government%20Revenue%20Collection\\_Barnett%20and%20Grown%20\(2004\).pdf](https://www.shareweb.ch/site/DDLGN/Documents/Gender%20Impacts%20of%20Government%20Revenue%20Collection_Barnett%20and%20Grown%20(2004).pdf)>.

<sup>23</sup> Nilüfer Çagatay, *'Gender budgets and beyond: feminist fiscal policy in the context of globalization'* Vol. 11, No. 1, Gender and Development (Oxfam GB, Routledge), 2015. Available at- <<https://policy-practice.oxfam.org.uk/publications/gender-budgets-and-beyond-feminist-fiscal-policy-in-the-context-of-globalisation-131503>> accessed on January, 15<sup>th</sup> 2019.

to end GI by providing better public services so that women don't have to do as much unpaid care as they used to. The govt. needs to raise more money to pay for these important public services through PT.

Men get more out of tax deductions because they make a lot of money. So, tax as well as gender are linked in more ways than one. Corporations get huge subsidies in India while poor people, especially women, have a hard time getting money, which hurts the equality of our TS. Indirect taxes can be regressive as well as add more stress to the poor. It can be more progressive & equitable to move from indirect taxes to direct taxes as a revenue generation source. This can make TS equitable.

Corporate tax revenues aren't optimized because of big tax breaks by governments. Today's govts. face the dilemma of designing a TS that attracts investment while also discussing the concerns related to tax avoidance (TA) and tax evasion (TE). This tax competition has resulted in yet another race to bottom and emergence of tax havens. Since the rich and powerful people (mostly men) and companies pay less in taxes due to unfair tax practices, the govt. loses money that would otherwise be spent on women's social programs, making TE and TA gender-based issues. An estimated \$200 billion is lost each year to multinational TA by developing nations according to the International Monetary Fund (IMF).<sup>24</sup> Corporate Income tax expenditure for India as % of GDP was 0.51 % in the year 2013-14 and the tax forgone due to CIT exemptions in was \$ US 9478 millions.<sup>25</sup> The continual pandemic, frequent lockdowns, and economic consequences have made GI even worse and shown how important it is for the govt. to spend money on healthcare system & its services.

## **OBJECTIVES AND RELEVANCE OF THE STUDY**

The available studies has accepted but largely ignored the importance of GE in development initiatives that must make sure that TP interventions don't undermine or unintentionally disrupt GE while achieving higher-level goals such as sustainability as well as poverty reduction. A gender-based perspective is very important when it comes to the TS, and it could have a big impact on the overall reliability as well as efficacy of public finance (PF).<sup>26</sup>

It is essential to analyze reform options for designing the India's TP. As a separate taxable entity, the Hindu Undivided Family (HUF) has certain family-based regulations in India as well. However, reforms are needed to tackle the numerous unintended disincentives as well as to keep pace with the dynamic truth of such frameworks.<sup>27</sup>

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<sup>24</sup> Crivelli, E. et al, -"IMF working paper, base erosion, profit shifting and developing countries", IMF, 2015 Pp.21.

<sup>25</sup> Ibid.

<sup>26</sup> Christine Brendel & et al, 'Why care about Taxation and Gender Equality?' Gender and Taxation, OECD: Governance and Democracy Division. Available at <<https://www.oecd.org/dac/gender-development/44896295.pdf>>.

<sup>27</sup> OECD-"The Impact of Tax and Benefit Systems on the Workforce Participation Incentives of Women." Available at [https://www.oecd-ilibrary.org/taxation/the-impact-of-tax-and-benefit-systems-on-the-workforce-participation-incentives-of-women\\_d950acfc-en](https://www.oecd-ilibrary.org/taxation/the-impact-of-tax-and-benefit-systems-on-the-workforce-participation-incentives-of-women_d950acfc-en) last accessed on 25.12.2018.

India's tax-to-GDP ratio needs improvement because it lags behind developed nations, with a tax-to-GDP ratio of twelve percent in FY 2017-18.<sup>28</sup> This low tax-to-GDP ratio could be associated with a number of factors, including the general tendency of taxpayers to avoid paying taxes, poor infrastructure, corrupt practices, a large unorganized sector, and low per capita income. The Income Tax (IT) Department's Vision and Mission documents state that an effective compliance framework free of all technical difficulties and with simplified formalities is essential, and that this can only be achieved through technological innovation.<sup>29</sup>

## LITERATURE REVIEW

Over the last three decades, the fight for GE has spread around the world.<sup>30</sup> There are a plenty of global agreements promoting GE in the pursuit of sustained economic development and complete social progress.<sup>31</sup> In 1979, the UN General Assembly implemented the "Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)". GI is described in this "international bill of rights for women," which also includes a timeline for national action to put an end to it before October 2004. It was signed by 179 of the 191 countries that make up the United Nations.<sup>32</sup> The 4<sup>th</sup> World Conference on Women, hosted in Beijing in 1995, restated the dedication of the CEDAW to eliminate discriminatory practices against women.<sup>33</sup>

Women's definition of substantive GE at the United Nations: The inclusive & broad language adopted in Art. 1 of CEDAW as "advancing the concept of substantive equality through its exhaustive definition of discrimination". It also includes

"any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil, or any other field."<sup>34</sup>

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<sup>28</sup> The statistics of GDP and Tax revenue have been taken from Statisticstimes.com and Unionbudget.nic.in respectively. GDP for Financial Year 2011-12 to 2016-17 are based on current prices and GDP for Financial Year 2010-11 to 2006-07 are based on 2004-05 series. Official figure of GDP for Financial Year 2017-18 is not available. Thus, the GDP figure is calculated on basis of growth rate of 6.5% as stated in CENTRAL STATISTICS OFFICE REPORT.

<sup>29</sup> ITD Vision document available at <<https://www.incometaxindia.gov.in/Documents/vision-mission-values-2020-07012011.pdf>>;last accessed on 08/11/2018.

<sup>30</sup> Elson, Diane. - "Integrating Gender into Government Budgets within a Context of Economic Reform," in Gender Budgets Make Cents: Understanding Gender Responsive Budgets, Budlender, Debbie, Diane Elson, Guy Hewitt and Tanni Mukhopadhyay (eds.), published by Commonwealth Secretariat, Marlborough House, Pall Mall, London, p. 47.

<sup>31</sup> Hewitt, Guy, and Tanni Mukhopadhyay- "Promoting Gender Equality through Public Expenditure. In Gender Budgets Make Cents: Understanding Gender Responsive Budgets," edited by Debbie Budlender, Diane Elson, Guy Hewitt, and Tanni Mukhopadhyay, 2000, 49-81.

<sup>32</sup> UN CEDAW, General recommen-dation No. 25, on article 4, para- graph 1, of the Convention on the Elimination of All Forms of Discrimination against Women, on temporary special measures(2004), par. 8.

<sup>33</sup> Marilyn Marks Rubin & John R. Bartle, 'Integrating Gender Into Government Budgets: A New Perspective' (2005) Vol. 65, No.3, pp. 259, <[https://www.researchgate.net/publication/227802959\\_Integrating\\_Gender\\_into\\_Government\\_Budgets\\_A\\_New\\_Perspectiv](https://www.researchgate.net/publication/227802959_Integrating_Gender_into_Government_Budgets_A_New_Perspectiv)e> accessed on January 8th, 2019.

<sup>34</sup> UN Women, Progress, 35.

This explanation is critical because it asserts that states must take "all reasonable measures" to address GI, which ensures that they do. If the action is meant to stop some kind of gender bias, then it won't be seen as discriminating against men even though it only affects women.<sup>35</sup>

### **Tax Distribution - Feminist Analysis**

Contrary to popular belief, tax policies have not been examined through a feminist lens despite international calls for women to have an equal voice in all aspects of society.<sup>36</sup> Academics and social activists have encouraged nation states as well as govts. to incorporate gender considerations into the PF equation and the budgeting process on a number of systems.<sup>37</sup> In light of this understanding into public policy, nation states are encouraged to examine their domestic laws as well as international obligations from a gender-based viewpoint.<sup>38</sup> Moreover, the proponents of such a strategy, as well as the activism that supports the advocacy, are lacking of any actual studies on what exactly gender-based analysis is in the first place.<sup>39</sup> While such an analysis as well as its application to policy frameworks are still in their early stages, there is extensive research on women's fairness and freedom that provides a foundation for further exploration.<sup>40</sup>

It is important to acknowledge Kathleen Lahey's contribution to the integration of female perspectives into PF in terms of determining the journey of inclusion of female perspectives into PF.<sup>41</sup> A framework proposed by Kathleen allows her to examine the policy as well as impact of taxation on inward & outward FDI (foreign direct investment).<sup>42</sup> It is essential to understand how "gender" is described as a "classification of sex," while "bias" means "preference or tendency which inhibits impartiality, prejudice" in order to understand the epistemology of GE (American Heritage Dictionary, 2004). As a result, GI is the process by which the genders are separated in such a manner that one is recommended over the other. This same term "GI" refers to any form of institutionalized discriminatory practises against taxpayers based on their sexual orientation in TS.

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<sup>35</sup> Lahey, Kathleen a. – "Gender, Taxation and Equality in Developing Countries, Issues and Policy Recommendations," UN WOMEN. 2018.

<sup>36</sup> Diane Elson, "Integrating Gender Issues into National Budgetary Policies and Procedures: Some Policy Options" 10 Journal of International Development, 1998, 929.

<sup>37</sup> Isabella Bakker, "Fiscal Policy, Accountability and Voice: The Example of Gender Responsive Budgeting Initiatives," Human Development Report Office Occasional Paper, UNDEP, 2000. Available at <[http://hdr.undp.org/docs/publications/background\\_papers/2002/Bakker\\_2002.pdf](http://hdr.undp.org/docs/publications/background_papers/2002/Bakker_2002.pdf)>; last accessed December 2018.

<sup>38</sup> Helena Hofbauer, "Gender-Sensitive Budget Analysis: A Tool to Promote Women's Rights" 14 Canadian Journal of Women and the Law, 2002, 98.

<sup>39</sup> Isabella Bakker- "Alternative Federal Budget 2006 Technical Paper 1: Gender Budget Initiatives: Why They Matter in Canada" C.C.P.A., 2005.

<sup>40</sup> United Nations Development Fund for Women, "Gender Responsive Budgeting," UN Development Fund for Women, Available at <<http://www.gender-budgets.org/>>; UN Platform for Action Committee (UNPAC) Manitoba, "Gender Budget Project" (2006), UNPAC, <<http://unpac.ca/gender/index.html>>; Canadian Feminist Alliance for International Action (FAFIA/AFAI), "Gender Budget Initiatives: A Global Overview" (2007), FAFIA/ AFAI, <[http://www.fafia-afai.org/en/gender\\_budget\\_initiatives\\_a\\_global\\_overview](http://www.fafia-afai.org/en/gender_budget_initiatives_a_global_overview)>.

<sup>41</sup> Kathleen A. Lahey, "International Transactions, Taxation, and Women: The Critical Role of Gender Analysis," UBC L.R..

<sup>42</sup> Ibid.

The right to tax comes from our constitution, and the same rules that relate to constitutional law also apply to TS.<sup>43</sup> The Constitution of India ensures freedom & equality from discrimination, as well as aiming to achieve social goals. Moreover, it has long been recognized that tax legislation is inequitable.

On the basis of prevalent literature on taxation's purposes, we should refer to Musgrave's classical functions of PF.<sup>44</sup>

<b>Financing Function</b>	<b>Steering Function</b>
<p>Focused on the cash balance and making sure fiscal sustainability for cost allocation of public spending such as health and education, debt payments, infrastructure development, the reduction of the public deficit, and policy changes in TP are being considered.<sup>45</sup></p>	<p>Taxes have the potential to influence and modify people's behavior by determining their level of savings, investment, employment, pending income, as well as business frameworks. Taxation has the ability to influence citizens' behavior towards desired social goals.<sup>46</sup></p>

In systems which allow for individual filing, Stotsky identified three potential sources of GI: the distribution of non-labor or business earnings; the distribution of tax exemptions or preferences; and the distribution of tax rates.<sup>47</sup> As a result, the idea of patriarchy was reverberated by joint taxation, which meant that the husband was in charge of the family and paid the bills, while the wife did all the childcare and household chores, which meant that they didn't get taxed as separate entities.

The evolution of TS reflects the countries' prevalent socioeconomic norms and realities. Stotsky's conceptual framework of implicit and explicit biases is quite useful for comprehending the impact of tax incidence on gender lines. In advanced economies, progressive personal taxes generated sufficient revenue, in contrast to the developing world, where revenue collection is impacted by widespread poverty and illiteracy, a narrow tax base, a large economic disparity, corruption, as well as poor tax administration.<sup>48</sup>

Differential consumption patterns of females can be attributing towards the prevalent gender bias.<sup>49</sup> Women may possess a disproportionate share of consumption taxes because developing

<sup>43</sup> Tipke, Klaus / Lang, Joachim *Steuerrecht* 18. Edition, 2005, §4, recital 13.

<sup>44</sup> Musgrave, Richard A. and Peggy B.-“ *Musgrave Public Finance in Theory and Practice Mac Graw-Hill New York* “1973

<sup>45</sup> Koester, The political economy of tax reforms - Evidence from the German case 1964-2004, p.6.

<sup>46</sup> Ibid.

<sup>47</sup> Janet G. Stotsky- 'How Tax Systems Treat Men and Women Differently' *Finance & Development*, Vol. 34, No.1, pp 30, 1997. Available at- <<https://www.imf.org/external/pubs/ft/fandd/1997/03/pdf/stotsky.pdf>> accessed on January 12th, 2019.

<sup>48</sup> . Janet G. Stotsky, 'Gender Bias in Tax Systems' IMF Working Paper No. 96/99 , 1996. available at <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=882995](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=882995)> .

<sup>49</sup> as generally women tend to consume goods and services that benefit family health, education and nutrition, while men consume more of their income on personal items.



countries rely more on indirect taxes than developed countries do because formal employment is lower and the informal unorganized sector thrives, making personal income taxes more difficult to collect. Only 5% of people in the developing nations pay taxes on their income, compared to 50% of people in the developed nations. This is based on statistics from the International Monetary Fund.

## **RESEARCH METHODOLOGY**

The feminist point of view on TSs can be looked at from a number of different perspectives, including the idea of horizontal & vertical equity, as well as how gender interrelates with race, ethnicity, as well as socio - economic status. All of these strategies require the evaluation of sex-disaggregated data.<sup>50</sup> Combining gender perspective of expenditures with cost-benefit analysis of FP and measures will enable strategic creation, categorization, as well as analysis of the required sex-disaggregated data. Since the previously stated data is unavailable, a descriptive methodology is adopted in this research study.

This research study is systematic as well as methodical in nature, and it uses both primary & secondary sources to do so. The provisions and global legal mechanisms that deal with the subject are the main sources of information. There are books and articles about the subject, as well as a review of them. For the aforementioned reasons, journals as well as online sources were approached. Additional data were gathered from other sources, including the IT Act & Rules, Memorandums of Budget, Finance Acts or Bills, committee/commission reports, official statements, CBDT newsletters, notices, FM's Budget lectures, CAG's Direct Tax Reports, Indian Economic Survey, as well as newspaper articles & journals.

In order to determine principles and concepts, a comprehensive review of literature relevant to the subject area of the research is conducted: Indian Government Reports / Publications on Tax Reforms, Rationalization, Simplification of Tax Structure, Task Forces on Direct Taxes, Direct Taxes Code, Legislation, etc, OECD / UN Reports / Publications, Relevant data & research from Websites, Online Books, etc.

Using gender revenue assessment is a good way to make sure that tax laws don't discriminate against people because of their gender. This can be done through a thorough formal investigation, macro simulation, or general equilibrium modelling, as well as by promoting gender perspective in the government sector. Tax knowledge as well as gender sensitization are major elements because an efficient and effective TS should be judged on a variety of criteria, the most critical of which are the principles of equality, certainty, as well as justice.<sup>51</sup> The objective of such a fair TS is to develop mechanisms for such analysis, as well as to generate and analyze gender-disaggregated data for policy formulation, implementation, and analysis, all of which take gender-specific impacts into account.

## **DEBATES AND ISSUES**

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<sup>50</sup> Ibid.

<sup>51</sup> Bhatia, H.L.(1976)- "*Public Finance*," 19th ed. New Delhi, India: Vikas Publishing House Pvt Ltd.

Wealth tax enforcement in developing nations is the subject of a heated discussion. There is a shocking disparity in the ownership of wealth between men and women, according to the report of World Bank.<sup>52</sup> Historically, patriarchy has prevented women from exercising control over resources, and reforming taxation policies can help to achieve greater equality for women.

Greater GE can be achieved through proper deductions as well as exemptions focused on providing tax savings to women, taking into account the burden of childcare, unpaid care burden, pension & insurance contributions, and so on. Moreover, eliminating exemptions from consumption taxes on goods & services used by women could aggravate GI. Expanding the tax base for both direct as well as indirect taxes disproportionately burdens the poor and also disproportionately affecting poor women.

If the taxation assessment doesn't take gender differences into account, it may result in unrecognized economic inefficiencies.<sup>53</sup> A bias against men will always be present in the steering function because of the greater influence that incentives and tax rates have on either men or women in the Indian TS, even though there is no explicit discrimination. In order to have an equitable TS that is also gender-neutral, this personalization has an inherent GI. It is therefore possible to correct socially induced imbalances in favor of men or women through the use of the tax code.

Organizations in India could take advantage of the underutilized female labor force by implementing diversity-focused programs, creating an inclusive work environment, and tackling the gap between existing organizational strategies as well as gender parity in India Inc.

## INDIAN EXPERIENCE

Despite the fact that the Indian govt. has attempted to address non-compliance by taxpayers through rate moderation as well as other measures, TE remains widespread and poses a serious threat to the economy & development initiatives when compared to the entire world.<sup>54</sup> Revenue losses have a negative impact on the public sector's ability to fund and operate.<sup>55</sup> TE could be caused by a number of things, such as a low deterrent effect of penalty statutes, a lack of confidence in the TS, substandard compliance, corruption, and a lack of understanding. People in India believe public institutions as well as democracy work better when there is less corruption. The Indian govt. wants to do this by improving public services and eliminating corruption.

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<sup>52</sup> World Bank. –“ *WBI Programs: Gender, Decentralization and Public Finance*”, 2005. Available at- [www.worldbank.org/wbi/publicfinance/ decentralization /gender.htm](http://www.worldbank.org/wbi/publicfinance/ decentralization /gender.htm).[http://www.winters.co.uk/factsheets/family\\_taxation.html](http://www.winters.co.uk/factsheets/family_taxation.html).

<sup>53</sup> Bianca Pfeuffer & Sören Weißert- '*Gender Bias in Tax Systems: The Example of Ghana*', Accountancy Business and the Public Interest, Vol. 5 No. 2, 2006. Available at <<http://visar.csustan.edu/aaba/Ghana.pdf>>.

<sup>54</sup> Das-Gupta, Arindam & Dilip Mookherjee - '*Incentives and Institutional Reform in Tax Enforcement*', O.U.P., 1998..

<sup>55</sup> Luigi A. Franzoni, Tax Evasion and Tax Compliance (1998) Available at <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=137430](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=137430)>.

It is the goal of the IT Department of India to become a partner in the procedure of nation-building.<sup>56</sup> During the fiscal year 2016-17, India's direct tax collection increased to a total of INR 8498.18 billion, an increase of nearly 10 times over a 14-year of span.

The IT Department, which is headed by the Central Board of Direct Taxes (CBDT) and operates under the supervision of the Ministry of Finance of the Government of India, is in charge of collecting direct taxes for the purpose of meeting the government's central budgetary requirements. The IT Department's goal in carrying out this mandate is to enhance compliance and maximize revenue collection. The IT Department is a major proponent in electronic governance. The Department's mission statement outlines the steps necessary to achieve its vision. Its mission is to develop progressive TPs, to make compliance simple, to enact tax laws fairly, to provide excellent service, to constantly enhance skills, and to develop a specialist and productive employees; and its organizational values of Integrity, Accountability, Professionalism, Responsiveness, Collaboration, and Innovation will guide the dept. on its journey towards accomplishment.<sup>57</sup>

In some cases, TPs can mitigate or aggravate GI, depending on the circumstances.<sup>58</sup> The percentage of women in India's workforce is one of the world's lowest, making it one of the most underrepresented countries. Only one-fifth of women work in paid jobs in urban India, compared to more than seventy percent in developing nations. In contrast, only one in 5 women work in the cities. A virtuous process is created when more paid work enhances purchasing power, higher consumption spending, higher demand for goods and services, more employment, and more working women, but there is a large gender pay gap. Women make, on average, sixty-two percent less than men do for the same job. According to the International Monetary Fund (IMF), India's GDP could increase by nearly twenty-seven percent if more women were employed and paid nearly equal to men.

For the 11th Five Year Plan as well as the Annual Plan for 2007–08, the Planning Commission of India told all states to include gender budgeting (GB) in their planning procedure. The Indian Govt. also included a GB assertion in the budget 2005–06. This is because of the international push for GB. With the help of the GB method, people are paying more attention all over the world.<sup>59</sup>

## REVENUE TRENDS IN INDIA

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<sup>56</sup> Income Tax Department, 'Vision 2020: Strategic Plan 2011-15' Income Tax Department, Department of Revenue, Ministry of Finance, Government of India, 2020. Available at <<https://www.incometaxindia.gov.in/Documents/vision-mission-values-2020-07012011.pdf>>.

<sup>57</sup> Ibid.

<sup>58</sup> Barnett, K. and Grown, C. – "Gender Impact of Government Revenue Collection: The Case of Taxation, London: Commonwealth Secretariat, BRIDGE, Brighton: Institute of Development Studies, 2015.

<sup>59</sup> Devinder Singh Hooda, 'Government Budgets and Financing Gender Equality in Haryana' Productivity, Vol. 55 Issue 4,, 2015.

Dorothy A. Brown, 'Race, class, and gender essentialism in tax literature: The joint return' , Washington and Lee Law Review, Vol, 54 No.4, 2015. Available at- <<https://scholarlycommons.law.wlu.edu/wlulr/vol54/iss4/5>> .

If gender inequalities are not discussed, any economic growth will be unsustainable as well as unequal in the long-term, resulting in poverty and hunger.<sup>60</sup> As this ratio differs greatly between developed and developing nations, it is an effective indicator of a nation's tax administration as well as its competitiveness with other taxation policies. Compared to most BRIC countries and developed nations, India's tax-to-GDP ratio for 2015-16 was just 11 percent (25-35 percent).<sup>61</sup> Prima facie, as taxes pertain to economic activity, this ratio is expected to be relatively consistent and revenue growth ought to be commensurate with the growth in GDP.<sup>62</sup>

India's indirect taxes attributed to approximately eighty percent of the country's total revenues during the early 1990s. Direct taxes, on the other hand, have contributed approximately fifty-four percent of the government's tax revenue since 2007, demonstrating the progressive pattern in our taxation policies.<sup>63</sup> During the 2015-16 fiscal year, the proportion of indirect taxes exceeded that of direct taxes for the first time ever, with the direct tax increasing nearly sixty percent.<sup>64</sup>

## INDIAN TAXATION STRUCTURE

Personal income tax is structured in a way which enables people to figure out how much tax they have to pay based on how much money they make from salaries, business and profession, investment income, house property, and other sources. This makes it simpler for people to figure out how much tax they have to pay. Income that isn't from work is given different treatment based on gender, and there are no provisions for joint tax filling.

In the Indian tax code, there is a good concept called "Hindu undivided family" (HUF). This is a group of people who can file their taxes as a separate legal entity.<sup>65</sup> The framework of the HUF reveals the aristocratic as well as patriarchal social systems which classify Indian society. Family members of a Hindu Undivided Family (HUF) include all male Hindus descended from a common ancestor, and also their spouses and daughters who have not yet married. The Indian IT Act, 1961, suggested that the HUF is a separate legal entity that can be taxed. There are particular tax rules for the HUF. The Indian tax regime recognizes the HUF because it has a discrimination against women. Only men of a Hindu family have traditionally had the right to partition and receive maintenance from ancestral property, so a Hindu woman could not. Her income from ancestral property is taxed as HUF. In Hindu families, property could only be divided among males, and the proceeds from inherited wealth were taxed as HUF income.

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<sup>60</sup> UNDP- Human Development Report, United Nations Development Programme, Oxford University Press, New York, p. 52, 2015.

<sup>61</sup> Available at- **Error! Hyperlink reference not valid.** policy>revenue statistics 2017-oecd>.

<sup>62</sup> This ratio is a benchmark for measuring the financial health of a country. Gross Domestic Product (GDP) is the market value of all final goods and services produced during a given period in the country. Tax-to-GDP ratio gives policymakers a measure for comparison of tax receipts over the years.

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[http://timesofindia.indiatimes.com/articleshow/62652261.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/62652261.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

<sup>64</sup> The Reserve Bank of India (RBI) recently released The hand book of statistics on Indian Economy for 2016-17 available at <https://factly.in/central-governments-tax-revenue-increased-50-times-last-30-years/> last accessed on 01.12.2018.

<sup>65</sup>The Income Tax Act, 1961.

Following an upheaval in the public discussion as well as judicial activism, the case law of these kind of underlying GI was being called into question.<sup>66</sup> In 2005, the Hindu Succession Act (HSA) was changed to make sure that women have the same rights as men as co-heirs of the Hindu family.<sup>67</sup> It didn't oppose the joint family as well as property provisions of the Hindu succession act, but it did give a female heir full and heritable power over all the property she had acquired. She now owns the property she has as a full owner instead of as a limited owner, and the restrictions and limitations on the powers of a female heir have been removed even though she still owns the property she had before. Consequently, the new changes to the HSA have completely removed a big, clear discrimination against women in the TS, by a lot aligning the property rights of both genders as brothers & sisters. People have the right to be treated the same under Art. 14, 15, and 21 of the Indian Constitution. In line with that right, this amendment has been added to the law.

In India, the IT rules have been gender-based for a long time, except for a short period when women were given a break because of the higher exemption limits for men as well as women. These exemption limits were in place until the Assessment Year 2012-13. Upto FY 2011-12, Female tax payers used to get some concession in Tax Payment ranging from Rs. 1000-2000.<sup>68</sup> But the same was discontinued from FY 2012-13 and as of now there is no such special benefit available to women in Indian Tax Laws. In the tax code, there is no discrimination based on gender against non-labor income. The HUF-induced gender biases in the HAS have been addressed by judicial rulings. One of the few exceptions to this is India, where women receive special tax benefits.<sup>69</sup>

The policy of positive preferential discrimination may not work very well because women make up only a small percentage of all income taxpayers. Individual taxpayers have increased from 49,711,477 in 2013 to 70,319,448 in 2017, which some are concerned about because the Indian population stands at 133.97 million people in 2017. The total number of taxpayers has also increased from 52,793,542 in 2013 to 74,127,250, which some are also concerned about.<sup>70</sup> According to the 2001 census, women comprise payers. This means that income tax can only be used to promote GE to the extent that it can be applied to a very small percentage of the population. A more important point to keep in mind is that the low percentage of women who pay taxes makes it difficult to determine whether the higher tax threshold has any effect on their lives.<sup>71</sup>

As many countries around the world don't allow women to own property and assets, their ability to make money is limited, which makes their lives even worse when they're in trouble. When

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<sup>66</sup> Ibid.

<sup>67</sup> The Hindu Succession (Amendment) Act, 2005, an amendment to the Hindu Succession Act, 1956, received the assent from President of India on 5 September 2005 and was given effect from 9 September 2005.  
<http://pib.nic.in/newsite/ereelcontent.aspx?relid=11899>

<sup>68</sup> This Women's Day, let's look at various financial benefits for women , available at [https://economictimes.indiatimes.com/articleshow/57509830.cms?](https://economictimes.indiatimes.com/articleshow/utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst./57509830.cms?)

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

a woman purchases property, some Indian states waive stamp duty & transfer duty on sale deeds, conveyance deeds, as well as gift deeds. For example, in Delhi, stamp duty as well as transfer duty charges are only 4 percent when the sale deed is implemented in the purchaser's name.<sup>72</sup> There may not be enough research to back up the idea that tax exemptions for women who own their own homes would help their fight for equality as well as better living conditions.

### **WOMEN IN PUBLIC FINANCE EQUATION**

Another thing to think about is how tax administration is organized. We need to know how many women tax administrators we have in our administration, and does that make a difference? There are many countries that don't keep public documents for either tax payers or tax administrators, but this kind of data can be easily made. However, a simple assertion from informal sources shows that the Indian Revenue Service (IRS) has approximately 800 female officers for approximately 3300 male officers. More than 50,000 tax officials in India, with a much lower percentage of female employees, rely on these officers to carry out the country's tax administration. It will be investigated whether an equal and fair number of women would have an impact on working conditions in the depts., whether a larger percentage of women will boost the effectiveness of tax administrations, whether it is able to benefit women taxpayers and improve tax payer services, or whether other factors pertaining to areas of governance will be investigated. When it comes down to it, women tend to feel more burdened by tax rates & administration than men do, and they are less comfortable dealing with tax officials. The informal economy has low levels of economic literacy, which makes it difficult for people to understand, participate in, and benefit from revenue systems.<sup>73</sup>

Globally, the feminist movement has highlighted arenas where women are underrepresented.<sup>74</sup> The tax administration around the world could look at tax negotiations through a more feminist lens.<sup>75</sup> There are few women in leadership positions in tax administration or tax practice because it is predominately a male domain. Whether or not having more women at the table would have any impact on the tax distribution is an open question.<sup>76</sup> The traditional way to look at TP is to look at three things: equity, neutrality, and administration. Equity isn't talked about very often when it comes to tax administration. In India, very few women work in tax administration.

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<sup>72</sup>Available at [http://economictimes.indiatimes.com/articleshow/57509830.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/57509830.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst) last accessed on 25.12.2018.

<sup>73</sup> Carroll, E.- "*Taxing Ghana's Informal Sector: The Experience of Women.*" Christian Aid Occasional Paper No. 7. London: Christian Aid, 2017.

<sup>74</sup> Mary Jane Mossman, "*Defining Moments for Women as Lawyers: Reflections on Numerical Gender Equality*" 17 Canadian Journal of Women and the Law 15, 2005.

<sup>75</sup> Marjorie Kornhauser, "*A Legislator Named Sue: Re-Imagining the Income Tax*" 5 Journal of Gender, Race and Justice 289, 2002.

<sup>76</sup> Manon Tremblay and Re'jean Pelletier, "*More Feminists or More Women?: Descriptive and Substantive Representations of Women in the 1997 Canadian Federal Elections*" 21 International Political Science Review 381, 2000.

Indian women are among the world's least likely to be engaged in the workforce.<sup>77</sup> It was 28.5 percent in 2017 (especially in comparison to eighty-two percent for men), amidst educational gains, and the gender disparity in this occupation has downsized even further in urban places.<sup>78</sup> In the same job, women make sixty-two percent of what men make for the relatively similar work.<sup>79</sup> Only 3.2 percent of board chairs in India were held by women in 2017. At the business level, 140 women held 12.4 percent of board positions and just 3.2 percent of board positions in 2017.<sup>80</sup> The idea of women directors came up in 2013 when the government made it a requirement for companies that met certain criteria to have a woman on their board of directors to have a woman on their board.<sup>81</sup> Despite the fact that the wage disparity between men and women is narrowing in India,<sup>82</sup>

The tax experts and tax practitioners are another important component of the tax administration as crucial stake holders. As per the ICAI, currently (as on 31<sup>st</sup> October, 2017) there are about 280221 CA members with 24.39% of them being women. If you look at the 778388 active students at the ICAI right now, about 40 percent of them are girls, which shows how many Indian women there are in total.<sup>83</sup> In recent years, Indian women have been stepping out of their traditional roles and challenging society's mould in a variety of arenas. Women make up 46.8 percent of all undergraduates and 40.7 percent of all PhD students, according to the data available.

## RESULTS AND DISCUSSION

Taxes, in addition to increasing revenues, can be used to influence the market by encouraging or discouraging specific kinds of behavior.<sup>84</sup> FP helps the govt. achieve its goals by making sure that the govts. finances are safe and stable, which helps to create a stable environment which encourages growth in the economy. For the government to achieve its goals of creating a more prosperous nation with a more just society, it needs to create an environment that fosters entrepreneurship, encourages innovation, and provides assistance to those in need.<sup>85</sup>

GI in public finance as well as TS is a good topic for research because cultural norms are bound to change, which means that people will have different ideas about what comprises discrimination and what needs to be done to fix it.<sup>86</sup> India has used a policy called "affirmative action," which means that some parts of the TS and policy changes help women, particularly those in low-income groups. Was this policy effective? When this new tax is put in place, what will happen to women and poor families? This is related to the reasons that women are more

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<sup>77</sup> ILO, *India Labour Market Update, July 2017* (August 8, 2017).

<sup>78</sup> *Supra* Note 8.

<sup>79</sup> *Ibid.*

<sup>80</sup> Deloitte, *Women in the Boardroom: A Global Perspective* 5<sup>th</sup> ed. (2017).

<sup>81</sup> Second proviso to Section 149(1) of Companies Act 2013.

<sup>82</sup> Wage Indicator Foundation, *Monster Salary Index 2016 Gender Pay Report- Ready Reckoner* (2017).

<sup>83</sup> Women in Accountancy- "ICAI Female vs. Male Members Data: An Update," 18 THE CHARTERED ACCOUNTANT DECEMBER 2017 available at [www.icaai.org](http://www.icaai.org).

<sup>84</sup> Bird, Taxation in Latin America: Reflections on Sustainability and the Balance between Efficiency and Equity.

<sup>85</sup> Thuronyi, Victor Comparative Tax Law 2003, p. 82.

<sup>86</sup> Stosky. Working Paper (WP/96/99), "Gender Bias in Tax Systems," IMF, Washington, 1996.

likely than men to seek employment in the unorganized sector of the economy. All of these are important questions which need to be resolved quickly.

Women are not discriminated against by the IT code, as there is no proof of this. In India, joint filing is not permitted, and non-labor income is not exempt from taxation. The GI that existed under the HAS have been eliminated through changes to the HAS and thus through legal decisions.<sup>87</sup> Due to the complex nature of India's TS and the number of exemptions that only serve a few purposes, it is important to consolidate and rationalize exemptions. As a tool for promoting a pro-women fiscal point of view, IT has limited power because tax-paying women make up only a small percentage of the nation's working women.<sup>88</sup>

By looking at the equity aspects of taxation, tax rates with enough tax revenue can make money available to discuss GI. This means thinking about how taxes strengthen or challenge societal problems, as well as how to frame various tax methods so that these disparities are eliminated. In low-income nations, GI in personal IT have a very minor impact since few women pay personal IT. Because women are very unlikely to work in the formal sector to make enough money to pay for their own IT, concerns that this could have a big negative impact on them seem to be exaggerated.

## IMPLICATIONS

Women aren't able to find employment or resources in the formal economy because all the networks are run by men.<sup>89</sup> The obligation of states to end discriminatory practices against women is outlined in international conventions, which recognize that quality public spending can minimize and redistribute unpaid care while also ensuring that women's rights are fulfilled.<sup>90</sup> People's rights and GE are important when it comes to how tax money is spent. Governing bodies should make sure that women don't have to do a lot of unpaid work so that they don't have to pay for things like health care, education, power, water, and sanitation.<sup>91</sup>

Women require higher-quality public services because they perform the majority of unpaid care work, which allows society and economy to prosper while limiting women's opportunities to enter the paid labour market, participate in society or public life, and sometimes even rest, relax, and enjoy leisure, as women perform three-quarters of all unpaid care work worldwide.<sup>92</sup> According to ActionAid research, the average woman dedicates twenty-three more years of life providing unpaid care than the average man.<sup>93</sup> Women's cheap as well as unpaid work is giving the world economy a huge financial boost: People who help people in poor countries

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<sup>87</sup> Grown, Caren & Imraan Valodia (eds.) –“ *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries*”, London/New York: Routledge, 2010.

<sup>88</sup> Ibid.

<sup>89</sup> Klarita Gërzhani, 'Explaining gender differences in tax evasion: the case of Tirana, Albania', *Feminist Economics*, Vol. 13, No. 2, 2007. Available at- <<https://www.tandfonline.com/doi/abs/10.1080/13545700601184856>> .

<sup>90</sup> UN (1979), Convention on the Elimination of All Forms of Discrimination against Women.

<sup>91</sup> UN Sepulveda Carmona-“ *M. Report of the Special Rapporteur on Human Rights and Extreme Poverty*”. UN (1995), Beijing Declaration and Platform for Action, 2007.

<sup>92</sup> Institute of Development Studies (2016), Redistributing unpaid care.

<sup>93</sup> Calculations use UN data on both paid and unpaid work and ILO data on working hours. Analysis undertaken by Economists Without Borders for ActionAid UK. See ActionAid (2016),



would be \$9 trillion better off every year if women in those nations got the same pay and had the same access to paid work as men, according to ActionAid. For women around the world, that number rose to \$17 trillion every year.<sup>94</sup>

Nation states attribute it to themselves to integrate gender budgeting into their national development plans in order to achieve maximum social welfare as well as human rights fulfilment.<sup>95</sup> As more and more nations use this method in their public finance policies, India is frequently called one of the prime aspects.<sup>96</sup>

In order to achieve the previously stated integration, it was necessary to address GI, social attitudes toward the roles of various genders, and inherent GI, which had an adverse effect on their working options, consumption habits, and tax liability.<sup>97</sup> Because of the nature of our society, half of humanity's role in today's economic reality has been undermined.<sup>98</sup>

When MNC investors in poor nations try to avoid or evade taxes, their rich and powerful shareholders become even richer at the expense of the poor nations that lose money because they don't get tax money. Men are more likely to be on the boards and senior managers of MNCs.<sup>99</sup> These practices reduce the efficiency of businesses. It's critical to remember that men are more prone to obtain employment and earn more money as a result of TA. This is true in the TA industry, which is component of financial services sector and where some of the most surprising discrimination happens.<sup>100</sup>

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The binary notion of gender has been used in this research study for the purpose of keeping the scope of the paper as limited as possible. The legitimate journey toward achieving the rights of the 3<sup>rd</sup> gender and their economic role is a vast subject that requires in-depth examination, which is well beyond the scope of this article. An extensive study evaluated the effect of tax changes on women is urgently needed because there are numerous ways wherein TPs can have an impact on their lives.<sup>101</sup> This notion of tax efficiency ignores unpaid processes of social reproduction and may just shift the burden from formal sector to informal sector further burdening the unpaid household workers without any real gain for the society as a whole.<sup>102</sup>

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<sup>94</sup> ActionAid (2015), Close the gap, Pp.8 - 9.

<sup>95</sup> Sharp, R. (2013), Budgeting for equity, UN Women.

<sup>96</sup> Government Spending Watch & Oxfam (2013), op cit.

<sup>97</sup> Janet G. Stotsky, - *How Tax Systems Treat Men and Women Differently*, Finance & Development, Vol. 34, No.1, 1997, pp 30, Available at- <<https://www.imf.org/external/pubs/ft/fandd/1997/03/pdf/stotsky.pdf>>.

<sup>98</sup> Nilüfer Çagatay- *Gender budgets and beyond: feminist fiscal policy in the context of globalization*, Gender and Development (Oxfam GB, Routledge), Vol. 11, No. 1, 2003. Available at- <<https://policy-practice.oxfam.org.uk/publications/gender-budgets-and-beyond-feminist-fiscal-policy-in-the-context-of-globalisation-131503>>.

<sup>99</sup> Suisse (2015), Global Wealth Report, Pp.19.

<sup>100</sup> Susan Himmelweit, "UK: Gender impact of taxation, UK Women's Budget Group," available at <https://wbg.org.uk/wp-content/uploads/2017/11/taxation-pre-Budget-nov-2017-final.pdf>.

<sup>101</sup> Esim, Simel - *Impact of Government Budgets on Poverty and Gender Equality*, paper written for the Inter-Agency Workshop on Improving the Effectiveness of Integrating Gender into Government Budgets, 26–27 April, Commonwealth Secretariat, Marlborough House, London, 2000.

<sup>102</sup> Elson, Diane - *Labour markets as gendered institutions: equality, efficiency and empowerment issues*, World Development 27(3): 611–627, 1999.

As TPs connect with gender-differentiated socioeconomic facts, there are still gender disparities. Despite international commitments as well as obligations to minimize GI, gender issues in taxes still need more attention. It's a good idea to think about these issues and how to meet these obligations.<sup>103</sup>

## RECOMMENDATIONS

It is essential to consider about the gender standpoint when you make a decision so as to avoid having any kind of GI in the coming years. The various economic functions performed by men and women are important considerations when analyzing the effect of taxation on women and men, as well as their decisions concerning labor supply, consumption, production, as well as investing. New legal changes, such as tax policies, necessitate an evaluation of the disparity between the genders because of their complex and multicultural roles. Gender knowledge and understanding needs to be improved in the conversation between various government stakeholders. India could learn from Turkey, which introduced tax incentives to employers ("Omnibus Law") in March 2018 to motivate employment generation for women, disabled, or young employees, as well as benefits provided to female employees for kindergarten and day-care being exempt from income tax.<sup>104</sup>

The goal of GE encompasses across political, economic, social, as well as public structures, as it intends to give them a "say" in decision making and motivates them to take part and lead at all levels.<sup>105</sup> Additionally, there are a number of ways in which the government and the TS can be used to support women's rights & GE, a few of which have been outlined as possible ideas for future initiatives:-

- Affirmative action in favor of women in the case of property taxes and other wealth taxes. This is accomplished by lowering the tax burden on women's property in order to increase their actual property rights.
- Preferential tax treatment for small businesses run, registered, and owned by women.
- There should be a lot more use of public funds to help people get to and from work, get clean drinking water, get public transportation, and help with childcare. This helps women who have an unfair amount of unpaid work because of a lack of public service.
- Policy framework for recognition of unpaid household work, tax credits for such work, childcare, etc.

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<sup>103</sup> Grown, Caren & Imraan Valodia (eds.) - *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries*, London/New York: Routledge, 2010.

□□ Grown, Caren *Taxation and Gender Equality: A Conceptual Framework*; In: Grown, Caren & Imraan Valodian (eds.) *Taxation and Gender Equity: A Comparative. Analysis of Direct and Indirect Taxes in Developing and Developed Countries*. Abingdon: Routledge. 1-22, 2010.

□□ Gunnarsson, Åsa - *Challenging the Benchmarks in Tax Law Theories and Policies from a Gender Perspective – The Swedish Case*. In: Brooks, Kim, Asa Gunnarsson, Lisa Philipps & Maria Wersig (eds.) *Challenging Gender in Tax Policy Making: Comparative Perspectives*. Oxford and Portland: Hart Publishing, 75-92, 2011.

<sup>104</sup> Turkey Launches Income Tax Incentives To Encourage New Jobs For Women, Disabled, Or Young Employees available at **Error! Hyperlink reference not valid.**> last accessed on 22.12.2018.

<sup>105</sup> Report of the Secretary-General, The Sustainable Development Goals Report 2018 available at <https://sustainabledevelopment.un.org/sdg5> > last accessed on 01.01.2019

- Establish gender-responsive budgeting to give a voice to women in fiscal decision-making.
- Taxes should be raised in a progressive way, with increasing focus on taxes on direct income and wealth than taxes on consumption. This will make taxes more redistributive, which will help the country's development and fairness.
- Curbing and rationalizing tax incentives so that companies pay their share of taxes and promoting research to address the research gap and the use of tax exemptions.
- Promotion of tax-gender impact assessments for identification of implicit and explicit effects of taxes; appropriate gender-disaggregated data to address the research gaps in gender-differentiated distributional effects of wealth and property.
- Provide a legal framework to prohibit gender discrimination with political commitment at all levels and fix targets, institutional mechanisms, and indicators to achieve substantive gender equality.
- Indian businesses can focus on improving workplace inclusion in flexible work hours and adopting a Work from Home (WFH) culture to address socio-cultural barriers. Leave and Reintegration to value talent and prevent marital, matrimonial, or household attrition. Training modules for inclusive growth and network building and creating inclusive cultures for all employees.<sup>106</sup>
- Create space for innovative ideas for a more inclusive development effort, like an innovative yet radical idea of making a salary income for all working women tax-free to incentivize the hiring of more women.<sup>107</sup>

Such exemption is more likely to have a multiplier effect than men because for every working woman, more jobs are created (domestic help, cook, daycare, etc.). In India, for example, personal income tax payers account for only a small percentage of the population (3 percent). Women who work for a living make up an even smaller proportion of this group. As a result, such an exemption will not place a burden on the taxpayers. It is also likely that as their incomes and savings rise, women will compensate by increasing their spending, increasing indirect tax collection, and investing more.

It is a simple concept to put into action. One cannot possibly pose as a woman in order to check for possible frauds. Employers' compliance burden will be reduced as a result of lower Tax Deduction at Source (TDS) and professional tax burden. Employers will be more likely to hire more women if more jobs are available for them. Employers who hire women could get extra incentives or rewards, too. Another step could be to make certain jobs only for women.

This is what would happen if women were to be equal partners with men on this journey of civilization. They would not just try but thrive as equal contributors to the building of countries,

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<sup>106</sup> Aarti Shyamsunder, Alixandra Pollack and Dnika J. Travis, *India Inc.: From Intention to Impact* (Catalyst, 2015).  
<https://www.catalyst.org/knowledge/women-workforce-india> last accessed on 25.12.2018.

<sup>107</sup> Zero income tax for women, available at [https://mumbaimirror.indiatimes.com/opinion/columnists/ajit-ranade/zero-income-tax-for-women/articleshow/65361686.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://mumbaimirror.indiatimes.com/opinion/columnists/ajit-ranade/zero-income-tax-for-women/articleshow/65361686.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst) last accessed on 01.12.2018.

and they would be freed from the societal expectations that they should be as good as possible. Give them what they deserve.

**“The budget is not just a collection of numbers, but an expression of our values and aspirations.”**

—  
**Jacob Lew**