

Statement to the Inequality & Growth Segment by the Civil Society FfD Group

Gender responsive fiscal and labour policies to address inequality – undelivered

FfD Forum 2017

Thank you Chair. I speak on behalf of Financial Transparency Coalition and the larger CSO FfD Group.

My intervention will focus on advancing progressive and gender responsive fiscal and labour policies to address inequality - both within and between countries.

Tax reforms are an important tool in this regard, and can play a crucial role in reducing inequality when the social, economic and environmental dimensions are fully taken into account.

At the domestic level, we would stress on the importance of governments raising tax revenues through progressive taxes such as income taxes, capital gains taxes, wealth taxes, corporate taxes and property taxes, recognising that this has important implications for addressing gender bias in tax structures.

According to the report of the Special UN Rapporteur on Extreme Poverty and Human Rights, women bear the regressive brunt of consumption taxes as they tend to use larger portions of their income on basic goods because of gender norms that assign them responsibility for the care of dependents. This is why efforts to increase the tax base at the domestic level, should be focused on reforms that shift burden to progressive direct taxes rather than through indirect taxes such as consumption taxes.

We would also like to emphasize that any domestic efforts to progressively raise revenue will be counter-productive without a transformative change in international tax and financial architecture to combat losses due to tax evasion, tax avoidance and other illicit outflows that are draining domestic resources. Addressing inequities between taxing rights of developing and developed countries, arising from signing unfair tax treaties that restricts the space for developing countries to tax multi-national enterprises at source, requires inclusive intergovernmental cooperation. Greater cooperation is also needed globally to end the race to the bottom, with countries competing to reduce taxes to attract foreign direct investment. In this regard, we continue to support the establishment of an intergovernmental tax body at the UN to ensure all countries have a seat at the table to decide the agenda and design international tax rules that contribute to reducing inequalities rather than exacerbating them.

Efforts to raise revenues progressively need to be complemented with clear commitments on progressive spending. We urge governments to ensure comprehensive systems of social protection that is universally accessible in line with ILO Convention 102 and Recommendation 202. Reforms should also include commitments to implement national minimum living wages with the full involvement of social partners and ensure collective bargaining rights in order to achieve fair wages above the minimum wage level. Governments also need to bring national laws and enforcement practices on freedom of association, the right to organise and bargain collectively, and non-discrimination into compliance with ILO core labour standards and promote social dialogue between employers and workers.

Thank you.