



# BEYOND NUMBERS: UNVEILING THE GENDER DYNAMICS OF TAXATION FOR INCLUSIVE ECONOMIC GROWTH

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# INTRODUCTION

The term 'gender-inclusive tax system' refers to a fiscal framework that not only acknowledges the differential impact of taxation on men and women but actively seeks to address and rectify gender-based imbalances. It recognizes that tax policies can either perpetuate or alleviate gender inequalities, and thus, aims to create a more just and balanced economic landscape. In the Nigerian context, such a system would not only contribute to economic growth but would also serve as a catalyst for social transformation by empowering women and marginalized groups. Historically, tax systems have often been designed without due consideration to their gendered implications.

This oversight has resulted in women being disproportionately burdened by certain taxes or excluded from the benefits of fiscal policies. A gender-inclusive tax system challenges this status quo by incorporating an intersectional lens, considering the unique challenges faced by women in various social and economic contexts. By doing so, it aims to rectify injustices, enhance women's economic participation, and contribute to the overall empowerment of women in Nigerian society.

# OVERVIEW OF THE NIGERIAN TAX SYSTEM (1/3)

In the tapestry of Nigeria's economic architecture, the tax system stands as a fundamental thread, intricately woven to support the nation's financial infrastructure and foster sustainable economic development.

**Revenue Generation: Primary Purpose:** The most straightforward role of taxation is to generate revenue for the government.

**Redistribution of Wealth: Progressive Taxation:** Taxes can be designed to redistribute wealth by imposing higher rates on those with higher incomes.

**Incentive and Behavior Modification:** Tax Incentives: Governments use tax policies to influence behavior. For example, tax incentives can encourage investment and development, and environmentally friendly practices

**Economic Stabilization: Fiscal Policy:** Taxation is a tool of fiscal policy that can be used to control inflation and stimulate or cool down economic activity

**Promotion of Economic Growth:** Lowering Corporate Taxes: Lower corporate taxes may attract foreign investment and encourage domestic businesses to expand, fostering economic growth.

**Public Goods and Services:** Funding Infrastructure: Tax revenues are essential for funding infrastructure projects such as roads, bridges, and public transportation.

# OVERVIEW OF THE NIGERIAN TAX SYSTEM (2/3)

**Historical Evolution:** The roots of the Nigerian tax system trace back to the colonial era when tax policies were primarily shaped to serve the interests of the colonial administration. Over time, these policies evolved in response to the changing needs of the emerging nation, adapting to shifting economic paradigms and global fiscal trends. Post-independence, Nigeria has undergone numerous tax reforms to enhance efficiency, broaden the tax base, and align with contemporary economic challenges.

## Key Components of the Nigerian Tax System:

- 1. Companies Income Tax (CIT):** At the heart of corporate taxation, CIT is levied on profits of incorporated entities operating within Nigeria. The rate, subject to periodic reviews, stands at 30%.
- 2. Personal Income Tax (PIT):** Targeting individuals, PIT is a multifaceted tax that encompasses both employees and self-employed individuals. Administered at both federal and state levels, PIT rates vary based on income brackets.
- 3. Value Added Tax (VAT):** A consumption-based tax, VAT is imposed on the supply of goods and services. Administered by the Federal Inland Revenue Service (FIRS), the standard rate is 7.5%.
- 4. Withholding Tax (WHT):** As a mechanism for the advance payment of income tax, WHT is deducted at the source from payments made to individuals or companies.
- 5. Customs and Excise Duties:** Reflecting Nigeria's global trade engagements, these duties are imposed on imported goods and certain locally manufactured products.
- 6. Special Levies:** Various sectors, such as the oil and gas industry, are subject to specialized taxes like Petroleum Profit Tax (PPT) and Education Tax.



# OVERVIEW OF THE NIGERIAN TAX SYSTEM (3/3)

## Administration and Oversight

The administration of the Nigerian tax system is a shared responsibility between the Federal Inland Revenue Service (FIRS) at the federal level and state revenue boards at the state level. This decentralized structure aims to cater to the diverse economic landscapes across the country, with each tier contributing to the overall fiscal health.

## Challenges and Reforms

While the Nigerian tax system plays a pivotal role in revenue mobilization, it grapples with challenges such as tax evasion, a narrow tax base, and administrative inefficiencies. To address these issues and enhance effectiveness, the government has initiated periodic tax reforms, incorporating technological advancements and international best practices. As we delve deeper into its nuances, we uncover not just a mechanism for revenue generation but a dynamic force shaping the economic destiny of Nigeria, steering the nation towards sustainability and prosperity.



# Gender Inclusion

A gender-inclusive tax system emerges as a potent tool in dismantling systemic barriers and fostering equitable growth.



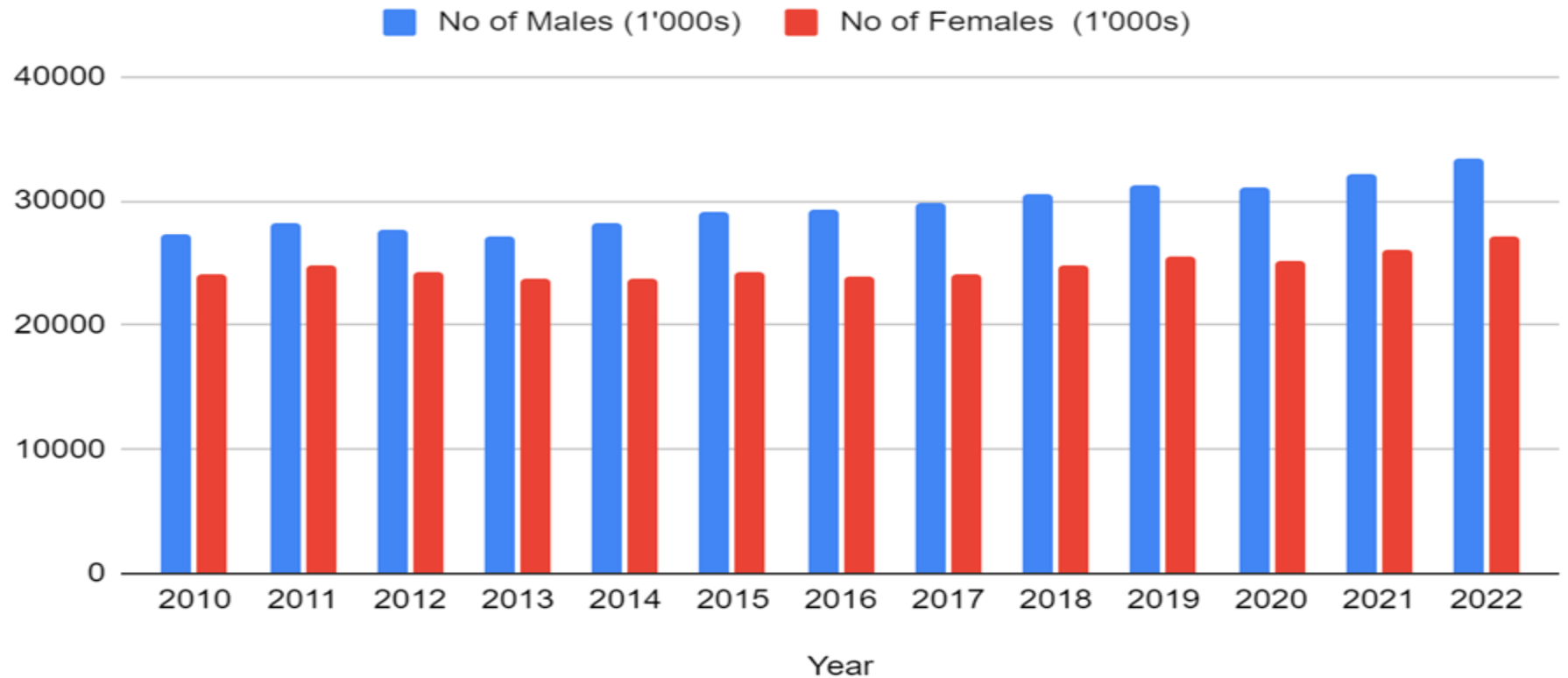
# GENDER DISPARITIES IN THE NIGERIAN ECONOMY

Gender disparities persist as a formidable challenge in the Nigerian economy, reflecting deeply rooted socio-cultural norms and structural inequalities. Despite significant strides in economic growth, women continue to face barriers that hinder their full participation and benefit from the nation's economic development. In the labor market, women encounter wage gaps and occupational segregation, often relegated to low-paying and informal sectors. This exacerbates economic disparities and limits their access to opportunities for professional growth.

While strides have been made in enhancing female education, significant gaps persist, impacting women's qualifications and limiting their entry into higher-paying sectors. The unequal distribution of household responsibilities further exacerbates these challenges, as women often bear the burden of caregiving, constraining their time and energy for economic pursuits.

The latest report from the World Gender Gap report 2022 reveals that Nigeria ranks 123rd with a score of 0.639 out of a total of 146 countries. The ranking on gender gap parity, uses parameters like economic participation and opportunity, educational attainment, health and survival, political appointment, and financial exclusion/wealth accumulation of the female gender in the world. Although Nigeria moved 16 places up in the new ranking of the global gender gap index compared to 2021, it still has a gender gap of 63.9%. Nigeria has stayed between 60-63% in the last decade on all the sub-indexes, from political participation to economic participation.

## Total Employment in Nigeria by Gender



Nigeria has less than 65% wealth equality. The factors responsible for the inequality in wealth are; gender pay gaps, gender gaps in financial literacy, life events that influence women's participation in paid work and ability to accumulate wealth.



# HOW TAX POLICIES INFLUENCE EMPLOYMENT PATTERNS, WAGE GAPS, AND CAREER PROGRESSION FOR DIFFERENT GENDERS (1/2)

- **Taxation of Income:**
  - a) **Progressive Taxation:** Progressive income tax systems, where higher earners pay a higher percentage of their income in taxes, can potentially address income inequality. However, without considering gender-specific wage gaps, women may still face a higher effective tax rate compared to men.
  - b) **Tax Credits and Deductions:** Targeted tax credits for low-income individuals, such as the Earned Income Tax Credit (EITC), can benefit women in the workforce, especially those in lower-wage jobs. Childcare-related deductions and credits can also impact the decisions of working mothers.
- **Retirement Savings and Pensions:** Tax treatment of retirement savings and pensions can influence career choices. If tax incentives are tied to employer-sponsored retirement plans, and women are more likely to work in part-time or non-traditional roles without access to such benefits, it may affect their long-term financial security.
- **Family-related Tax Policies:** Tax policies related to family planning, such as parental leave and childcare support, can impact women's career progression. Lack of family-friendly policies may discourage women from participating in the workforce or pursuing leadership roles.

# HOW TAX POLICIES INFLUENCE EMPLOYMENT PATTERNS, WAGE GAPS, AND CAREER PROGRESSION FOR DIFFERENT GENDERS (2/2)

- **Entrepreneurship and Small Business**: Tax policies affecting small businesses can impact women entrepreneurs. Equal access to business-related tax incentives and credits is crucial for fostering gender diversity in entrepreneurship.
- **Wage Gap and Equal Pay**: Tax policies may indirectly contribute to the gender wage gap by not directly addressing pay disparities. Implementing tax incentives for companies that address and rectify gender pay gaps could encourage more equitable compensation practices.
- **Education and Training**: Tax incentives for education and training programs can influence career choices and progression. Policies that encourage women to pursue education and training in high-demand fields can contribute to narrowing gender gaps in certain industries.
- **Dual-Income Households**: Tax policies that consider the dynamics of dual-income households, where both partners work, can impact decisions related to career progression and workforce participation.
- **Unintended Consequences**: Some tax policies may have unintended consequences on gender employment patterns. For example, if tax deductions are linked to certain industries that are traditionally dominated by one gender, it may reinforce existing gender imbalances.



# POTENTIAL BENEFITS OF ADOPTING GENDER INCLUSIVE TAX POLICIES (1/3)

## Gender Equality

- Inclusive tax policies address gender disparities, promoting equality between men and women in various aspects of economic life, including income, wealth distribution, and opportunities.

## Economic Growth

- By actively engaging and empowering women in the workforce, inclusive tax policies contribute to economic growth. Women's increased participation can lead to higher productivity, innovation, and overall economic development.

## Reduced Poverty

- Enabling women to participate fully in the economy through fair tax policies can help reduce poverty rates. By providing equal opportunities, women are better positioned to secure stable employment and contribute to their families' financial well-being.

# POTENTIAL BENEFITS OF ADOPTING GENDER INCLUSIVE TAX POLICIES (2/3)

## Enhanced Entrepreneurship

- Supporting women-led businesses through targeted initiatives can foster entrepreneurship, innovation, and job creation. This, in turn, contributes to a more dynamic and diversified economy.

## Social Cohesion

- Addressing gender disparities and promoting equality contributes to social cohesion by reducing inequalities and fostering a more inclusive and harmonious society.

## Increased Tax Revenue

- A more inclusive workforce and thriving businesses can contribute to increased tax revenue. As women's economic contributions grow, governments can collect more revenue, enabling them to fund essential public services and infrastructure.



# POTENTIAL BENEFITS OF ADOPTING GENDER INCLUSIVE TAX POLICIES (3/3)

## Global Competitiveness

- Countries with inclusive tax policies that foster gender equality are likely to be more competitive on the global stage. Diversity and inclusion contribute to innovation, adaptability, and resilience in the face of economic challenges.

## Sustainable Development

- By promoting gender equality and inclusive economic growth, societies can progress toward achieving sustainable development goals. Inclusive policies contribute to environmental, social, and economic sustainability.

## Corporate Social Responsibility

- Companies that embrace inclusive policies demonstrate a commitment to corporate social responsibility, enhancing their reputation and attractiveness to a diverse and socially conscious workforce.

# THE NEXUS BETWEEN TAX SYSTEMS AND GENDER EQUALITY IN NIGERIA (1/2)



**Income Disparities:** Tax systems that do not address existing gender wage gaps may exacerbate income disparities between men and women in Nigeria, as women often face challenges in accessing higher-paying jobs.



**Indirect Taxes:** If tax structures rely heavily on indirect taxes, such as consumption taxes, it can disproportionately affect women who often manage household expenditures, potentially placing a greater financial burden on them.



**Informal Economy Challenges:** Given that women are often engaged in the informal sector, tax systems that do not consider the specific dynamics of informal work may contribute to economic inequalities, as these women may not benefit from formal tax deductions or incentives.



# THE NEXUS BETWEEN TAX SYSTEMS AND GENDER EQUALITY IN NIGERIA (2/2)



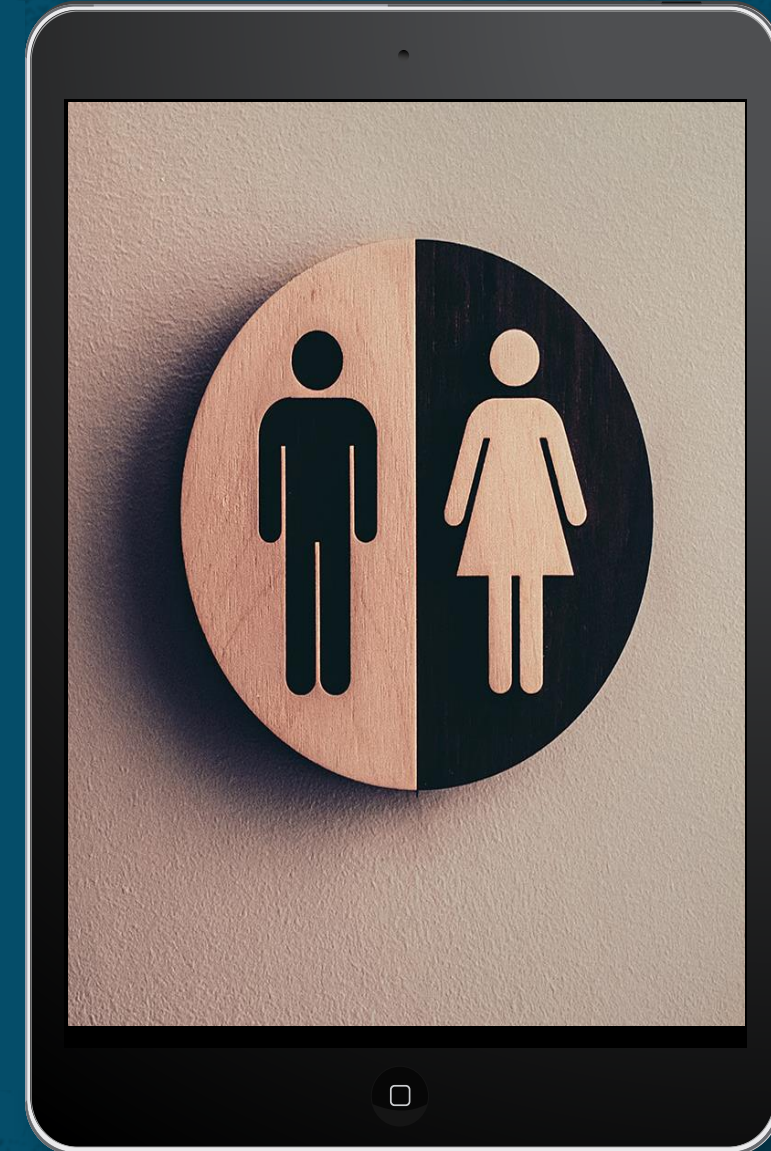
**Access to Economic Opportunities:** Tax policies that do not address barriers to women's participation in formal employment or entrepreneurship may hinder their access to economic opportunities, perpetuating gender imbalances in the workforce.



**Social Services Impact:** Insufficient tax revenue allocation to social services, which are crucial for gender equality, can negatively affect women who rely on these services, such as healthcare and education, leading to broader societal inequalities.

# INTRODUCTION TO TAXATION AND GENDER DYNAMICS ACROSS DIVERSE CULTURES AND ECONOMIES

- Taxation is a critical instrument through which governments raise revenue to fund public services and shape economic policies. However, the impact of tax systems is not uniform across diverse cultures and economies, and gender dynamics play a crucial role in shaping this interaction.
- Taxation can either reinforce existing gender disparities or serve as a tool for promoting gender equality, depending on how policies are designed and implemented.



# SUCCESSFUL MODELS FOR INCLUSIVE TAX POLICIES

## Nordic Countries

- Nordic countries have implemented progressive tax policies, including family-friendly measures such as subsidized childcare and parental leave. These policies contribute to high levels of gender equality in the workforce

## Rwanda

- Rwanda's tax policies aim to promote women's economic participation by offering incentives for businesses with gender-balanced leadership. This approach encourages companies to address gender disparities in their organizational structures.

## Canada

- Canada's use of gender-based analysis in budgeting and policy development ensures that tax measures consider their impact on different genders. This approach helps identify and rectify gender inequalities in various economic aspects.

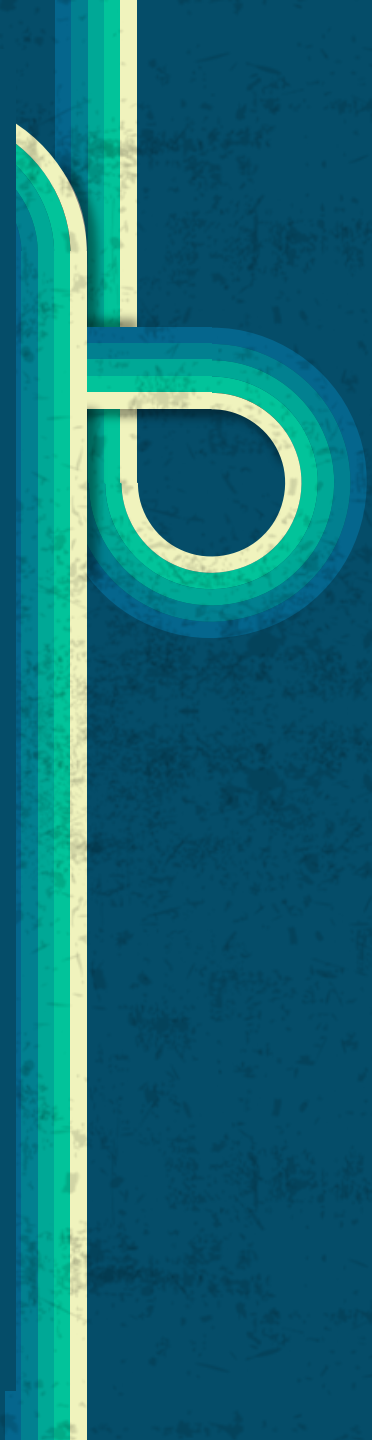
## South Africa

- South Africa has introduced tax incentives to promote female entrepreneurship, supporting women-led businesses with reduced tax rates and access to funding.



# LESSONS FOR CREATING INCLUSIVE TAX POLICIES ON A GLOBAL SCALE

- **Intersectionality Matters**: Recognize the intersectionality of gender with other factors like race, ethnicity, and socio-economic status to develop targeted policies that address specific challenges faced by diverse groups
- **Data-Driven Decision-Making**: Utilize gender-disaggregated data to assess the impact of tax policies on different genders. Regular evaluations can inform evidence-based adjustments to foster inclusivity.
- **Collaboration and Consultation**: Engage diverse stakeholders, including women's organizations, in the policy-making process to ensure that perspectives from various cultural and economic backgrounds are considered.
- **Flexibility and Adaptability**: Design tax policies that are flexible enough to adapt to evolving societal norms and economic structures. Regular reviews can help identify and address emerging challenges.
- **Global Cooperation**: Foster international collaboration to share best practices and lessons learned in promoting gender-inclusive tax policies. A global approach can contribute to a more equitable and sustainable future.



# ESTABLISHING A TAX SYSTEM THAT PROMOTES GENDER INCLUSION (1/2)

## Conduct Gender Analysis

- Begin by conducting a comprehensive gender analysis of the existing tax system to identify gender-based disparities and assess how different tax policies affect men and women differently.

## Engage Stakeholders

- Involve diverse stakeholders, including women's rights groups, economists, policymakers, and representatives from various sectors, to gather insights and perspectives on gender-specific challenges within the tax system.

## Review Tax Legislation

- Examine existing tax laws and regulations to identify any gender biases or disparities. This involves assessing how different types of income, assets, and expenditures are taxed and considering potential impacts on different genders.

# ESTABLISHING A TAX SYSTEM THAT PROMOTES GENDER INCLUSION (2/2)

## Introduce Gender Impact Assessments

- Incorporate gender impact assessments into the development and evaluation of tax policies. This involves analyzing how proposed tax changes may affect men and women differently and adjusting policies accordingly to promote gender equality.

## Address Gender Wage Gap

- Consider implementing measures to address the gender wage gap, such as equal pay legislation, as part of the broader tax strategy. Ensure that tax policies do not exacerbate income disparities between men and women.

## Promote Female Entrepreneurship

- Develop tax incentives and policies that specifically support female entrepreneurship, including tax breaks for women-owned businesses, training programs, and access to financing.



# CHALLENGES OF ESTABLISHING A TAX SYSTEM THAT PROMOTES GENDER INCLUSION (1/2)

- **Resistance to Change**: Implementing gender-inclusive tax policies may face resistance from individuals or groups that are accustomed to the existing system. Overcoming resistance and fostering a mindset shift can be challenging.
- **Data Gaps**: Limited or unavailable gender-disaggregated data may hinder a comprehensive gender analysis of the existing tax system. Addressing these data gaps is crucial for making informed decisions and assessing the impact of tax policies on different genders.
- **Lack of Awareness**: Stakeholders, including policymakers, may lack awareness of the importance of gender-inclusive tax policies. Educational efforts are needed to communicate the benefits and address misconceptions.
- **Political Will**: The success of implementing gender-inclusive tax policies often depend on political will. Challenges may arise if there is a lack of commitment or if competing priorities overshadow gender equality considerations.
- **Complexity of Tax Systems**: Tax systems are often complex and modifying them to be more gender-inclusive may require careful consideration and planning. Ensuring that changes are practical and feasible can be challenging.

# CHALLENGES OF ESTABLISHING A TAX SYSTEM THAT PROMOTES GENDER INCLUSION (2/2)

- **Potential Unintended Consequences**: Changes in tax policies may have unintended consequences. It is essential to carefully assess the potential impacts and adjust policies accordingly to avoid exacerbating gender disparities in unintended ways.
- **Inadequate Resources**: Adequate resources, including financial, human, and technological resources, are crucial for implementing and monitoring gender-inclusive tax policies. A lack of resources may impede successful implementation.
- **Varying Socio-Cultural Contexts**: Socio-cultural factors can vary widely, impacting the acceptance and effectiveness of gender-inclusive tax policies. Strategies need to be tailored to each context, considering cultural norms and values.
- **Policy Coordination**: Achieving a gender-inclusive tax system may require coordination across different government departments and agencies. Ensuring effective collaboration can be challenging, especially if there are existing bureaucratic barriers.
- **Long-term Commitment**: Achieving gender equality through tax policies is a long-term commitment. Sustaining efforts over time, despite changing political landscapes, economic conditions, and priorities, can be a persistent challenge.

# RECOMMENDATIONS (1/2)

- Begin by building awareness about the importance of gender-inclusive tax policies.
- Engage in advocacy efforts to highlight the benefits and address any misconceptions. This can help garner support from various stakeholders, including policymakers, businesses, and the general public.
- Address data gaps by investing in comprehensive and reliable gender-disaggregated data collection. This information is essential for conducting thorough gender analyses, identifying areas of concern, and evaluating the impact of proposed tax policies.
- Advocate for political will to prioritize gender equality in tax policies. Engage with policymakers, emphasizing the long-term societal benefits of a more inclusive tax system. Highlight successful examples from other regions to showcase the positive outcomes of such policies.
- Consider implementing pilot programs to test the effectiveness of gender-inclusive tax policies on a smaller scale. This allows for the identification of potential challenges and adjustments before full-scale implementation.



## RECOMMENDATIONS 2/2

- Foster collaboration between government departments, NGOs, businesses, and civil society organizations. A coordinated effort can help overcome bureaucratic hurdles and ensure a holistic approach to gender-inclusive tax policies.
- Offer training programs and capacity-building initiatives for policymakers, tax administrators, and other relevant stakeholders. This can enhance their understanding of gender issues and equip them with the skills needed to develop and implement inclusive policies.
- Leverage international partnerships and support from organizations that promote gender equality. Learn from successful global examples and seek guidance on best practices for implementing gender-inclusive tax policies.
- Tailor strategies to the socio-cultural context of the region. Acknowledge and address cultural sensitivities to ensure that proposed changes are culturally appropriate and well-received.

# CONCLUSION

A gender-inclusive tax system emerges as a powerful tool in Nigeria's quest for sustainable development. By recognizing and addressing gender disparities within the tax framework, the nation can unlock the full potential of its female population, fostering economic resilience and inclusivity.

As Nigeria embarks on this transformative journey, the integration of gender-inclusive tax policies stand as a cornerstone for a brighter, more equitable future.

The potential benefits of adopting and implementing these measures extend beyond the realm of economic considerations, reaching into the fabric of societal well-being and progress. The imperative to achieve gender equality is not merely an ethical one but a pragmatic necessity for unlocking the full potential of economies worldwide.

By acknowledging and rectifying the existing gender imbalances within taxation systems, societies stand to reap rewards in terms of economic growth.

Ultimately, the call to action is clear - to build societies that thrive on the principles of equity, inclusivity, and shared prosperity. The lessons drawn from successful models, coupled with the comprehensive policy recommendations, offer a blueprint for creating a future where tax policies actively contribute to dismantling gender disparities and fostering an environment where individuals of all genders can flourish.

By embracing this vision, nations embark on a journey towards a more just, resilient, and sustainable global community.







# Thank you!



Any society that fails to harness the energy and creativity of its women is at a huge disadvantage in the modern world

Tian Wei  
CCTV News



If Nigerian women had the same opportunities as men, they could drive GDP up by \$13.9 billion

Njideka Harry  
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