

## IMF WEBINAR: AN INTRODUCTION TO GENDER AND REVENUE ADMINISTRATION

ONLINE SEMINAR

MARCH 14, 2023

Summary

**Opening Remarks – Ms. Katherine Baer, Deputy Director, IMF Fiscal Affairs Department,** welcomed the attendees to the seminar, and made the following points:

- The IMF’s Fiscal Affairs Department (FAD) is delighted to be able to partner with the Swiss State Secretariat for Economic Affairs (SECO) to host this first seminar on gender and revenue administration and for future events. On July 22, 2022, the IMF’s Executive Board approved the IMF’s first Strategy toward Mainstreaming Gender into its core activities. Mainstreaming gender at the IMF starts with the recognition that reducing gender disparities goes hand-in-hand with higher economic growth, greater economic stability and resilience, and lower income inequality. The strategy lays out how the IMF can help its member countries address gender disparities in the context of carrying out its core functions—surveillance, lending, and capacity development.
- The strategy comprises four key pillars: first, gender-disaggregated data collection and development of modelling tools to enable staff to conduct policy analysis; second, a robust governance framework for an even-handed approach across members based on the macro-criticality of gender; third, the efficient use of resources allocated to gender by putting in place a central unit for realizing scale economies and supporting country teams and fourth strengthening collaboration with external partners to benefit from knowledge sharing and peer learning, leverage complementarities, and maximize the impact on the ground.
- Gender equality is an integral component of fiscal reform and plays a key role in achieving more inclusive and sustainable economic growth. As many countries seek to boost outcomes, it is more important than ever to consider the role of gender. Revenue Administrations have an indispensable role in administering tax policies and an opportunity to use their relationships with taxpayers and traders to strengthen the economy. Furthermore, by effectively and efficiently collecting tax revenue RAs permit governments to finance spending in areas such as water, sanitation, and digitalization, and social protection programs such as maternal and parental leave, paid childcare, social transfers (targeting girls and women), health, education, and public sector employment expenditure for closing seniority and wage gaps. Of equal importance is the revenue administration’s activities as an employer – how to ensure equal employment opportunities for all genders.
- IMF research has found that having a diverse, representative workforce can deliver enhanced organizational performance and delivery, and indirect benefits in the contribution to workplace culture. By profiling Revenue Administrations as a responsible employer of choice with a gender balanced workforce, role modelling national development policies, the Revenue Administration can attract and retain a diverse, more skilled workforce. Similarly, recognizing the unique needs of female taxpayers and traders to help expand their economic participation may help contribute to growth in the tax base, increases in women’s confidence and trust in the Revenue Administration (and the

government in general, as RAs are often government entities that deal most directly with taxpayers and as such are the 'face' of the government), and ultimately enhanced revenue collection.

- The SECO program will seek to provide countries with the tools and frameworks to mainstream gender across their revenue administration processes and will assist selected motivated countries to implement them. The program will allow FAD to introduce the wide range of tools, approaches, and decision-making systems to authorities in all eligible countries through workshops and trainings. More targeted, hands-on CD will be delivered through a range of modalities to countries that express interest in implementing these approaches. Lessons drawn from the program will then feed into regional operational guides and manuals.

**Opening Remarks: Mr. Juan Pedro Schmid, Program Manager Swiss State Secretariat for Economic Affairs (SECO) Macroeconomic Support** welcomed the attendees to the seminar, and made the following points:

- This is the first workshop in the context of the IMF climate and gender budgeting and revenue administration project SECO is able to support under the Swiss IMF Subaccount Program. This Program provides both SECO and the IMF the opportunity to be innovative and agile. We want to thank our IMF colleagues for venturing with us into this new subject area and we are looking forward to an interesting collaboration that will hopefully benefit many countries.
- It is exciting to see representatives of many countries we work very closely with. We hope today's introduction is relevant to you and we look forward to continuing to engage as our common knowledge base expands in this area. We also have many Swiss Cooperation teams present from the field, so feel also free to follow up with them and stay engaged on the topic with your Swiss development cooperation counterparts.
- Today's specific focus is on Revenue Administrations and Gender. Revenue administrations are not the first place that come to mind when thinking about gender equality. For one, most people don't think much about revenue administrations anyway, as it is not one of the mainstream subjects that get much attention. But more importantly, the work has not been done yet to conclusively show that revenue administrations can and should contribute to gender equality (and vice versa, that gender considerations have a positive effect on revenue collection).
- Many important questions come to mind, such as:
  - From a gender perspective, should revenue administrations take into consideration gender aspects in their efforts to collect revenue?
  - From a revenue perspective, should revenue administrations take into consideration gender differences to effectively and efficiently collect revenue?
  - Taking the first two together, is there a trade-off between gender equality and revenue collection and what is the resulting policy that one wants to take?

- What role can revenue administrations play in the implementation of gender focused tax policies. All of these are new but highly relevant questions for which we do not have all the right answers yet.

I hope I have convinced you that this is an exciting area with relevant insights, and I look forward to today's session.

### **Presentation: Insights from recent FAD work on gender (Ms. Cindy Negus Technical Assistance Advisor FAD R1)**

Ms. Negus provided an overview of FAD's work program on revenue administration and gender equality, drawing on a FAD RA technical note currently in the final stages of development. The presentation covered three areas:

- The connections between Revenue Administration and gender equality
  - How Revenue Administrations can contribute to gender equality
  - Gates Project: Digitalization and Gender in Revenue Administration.
- As part of its work on tax and gender, FAD has been developing a Technical Note on Gender and Revenue Administration which will issue shortly. It focuses on the two levers, an internally focused one of building a gender balanced workforce and an externally focused one of applying a gender lens to administration.
  - Looking internally, Revenue Administrations can support gender equality by ensuring there is a workforce of women and men with the same opportunities, able to meet the needs of taxpayers, traders, and stakeholders.
  - In Revenue Administrations, women are typically clustered at the lower levels and are mostly involved in 'service' type roles. On average women make up 55 percent of tax administrations' staff but occupy only 41 percent of executive positions, according to data from the International Survey on Revenue Administrations (ISORA). And, according to data from the World Customs Organization, for customs administrations, women make up 37 % of staff but occupy only 26% of senior leadership positions.
  - While several factors may help Revenue Administrations build a balanced workforce, the most impactful are gender-balanced leadership and gender-responsive human resource policies (e.g., anti-discrimination, harassment and parental leave policies, adoption of flexible working hours, remote work and job sharing). Adoption of women friendly workplaces (e.g., provision of child-care facilities, safe, clean bathrooms, and safe transportation), establishing and supporting mentoring programs, provision of continuing career development during career breaks, and promoting a culture of gender equality are important elements of supporting gender equality.
  - To ensure that gender remains a priority, implementing key performance indicators (KPIs) to monitor gender balance is critical, as what gets measured often determines what gets done.

- Initiatives that are being used in tax administrations successfully include:
  - talent management programs to identify high potential women and proactively foster their career development through structured programs.
  - spotlighting women leaders as role models.
  - promoting and encouraging women to develop broader networks, to create relationships with mutual benefits.
- Looking externally, tax administrations can contribute to gender equity through the way they operate – implementing revenue laws, designing educational programs and services, how they assess risk and the channels they use that encourage the equal participation of all taxpayers.
- Revenue Administration tailor services and products to the needs of taxpayer segments for all core obligations: registration, filing and payment, reporting, and dispute resolution. This tailoring of services and removing of barriers to compliance can be applied to the means the Revenue specific needs of the women taxpayers.
- The following are ways services can be tailored for women, particularly those entering the tax system for the first time:
  - using communication products and service targeting women taxpayers and traders and their industry groups.
  - reviewing administrative approaches to ensure there is no explicit or implicit gender bias.
  - recognizing that gender-neutral intentions may be gender blind.
  - considering gender in setting case allocation priorities.
- Recovery from the COVID-19 pandemic requires most revenue administrations to revisit their reform plans and identify short and longer terms plans to recover revenue. The pandemic has added pressure for many, with women particularly affected by job losses, income reduction, and increased child and elder care responsibilities. Addressing gender equality issues in the Revenue Administration workplace and expanding women's inclusion in the tax system should be one component of the revenue recovery plan.
- There are no universal solutions to gender equality in revenue administration and greater inclusion of women. Each Revenue Administration should determine the initiatives that are most appropriate to their state of development and the development goals of their country. In doing so, it is important to be clear on what is within the control of the RA to change or improve and what is broader than Revenue Administration.
- The next FAD Revenue Administration initiative discussed was the Gates Foundation funded research into the impact of tax administration digitalization on gender equity.
- Since the early 2000s, there has been a universal move by Revenue Administrations to adopt digital methods for the main tax obligations: registration, filing and payment to aid revenue mobilization and

modernization. The pace of digitalization of revenue administration has accelerated as the cost of IT systems has dropped, and more analysis tools have become available.

- The benefits of digitalization are many and include increased Revenue Administration effectiveness and efficiency and a reduction in the compliance burden for taxpayers through making interactions with the revenue administration more convenient and secure. However, there has not been any research on whether the uptake of digitalization in tax administration has improved or worsened the position for women, based on an understanding of gender and other digital divides. Part of the reason for this has been the lack of gender disaggregated data on filing and payment, particularly for Low Income Developing Countries (LIDCs), but this is changing.
- Due to the lack of gender disaggregated data sets, the approach adopted is to undertake case studies with administrations that do have disaggregated data, to test two propositions.
  - Is there evidence that digitalization of revenue administration has meant 'better' service from Revenue Administrations for women, and to the same extent as men?
  - Is there evidence that the digitalization of revenue administration has had unintended consequences, making it more difficult for women taxpayers and traders to interact with revenue administrations, because of the digital divide?
- After identifying countries that has gender disaggregated data on registration, filing and payment for periods both before and after the adoption of digitalized services we worked with Jamaica, Kenya, Uganda and Zambia with the Kenya and Jamaica case studies being the most advanced.
- Looking first at Kenya, comparison of population, labour force and revenue administration registration and filing data indicates adoption of digitalization in 2015 has enabled/encouraged greater growth in the number of women who are active in the tax system.
- In the pre-digital period from 2010 to 2014:
  - Total employment grew 6%
  - Total employed excluding informal sector grew 19%
  - The number of individuals filing returns grew only 5.1%.
- In the post-digital period from 2015 to 2020
  - Total employed individuals, excluding informal sector, grew 10% to 2019 (with decline in 2020)
  - The percentage of female wage earners grew from 34% to 39%
  - Individuals filing returns doubled, with female filers growing from 31% to 41% of filers
  - The rate of growth for female filers outstripped the rate of growth for male filers – with female filers growing 118% and male filers growing 90%.
- For Jamaica, there is evidence that digitalization enabled or encouraged greater growth in the number of taxpayers who are active in the tax system.

- Between 2014, the year before the introduction of mandatory electronic filing, and 2021 there was 127.3% growth in the number of taxpayers expected to file for Individual Income Tax. This growth significantly outstripped the 6.12% growth in the employed labour force.
- The e-filing rate for both genders increased markedly over the period, from under five percent in 2016 to over 99 percent in 2021. The year-on-year growth of returns e-filed by males and females was positive for all years between 2016-2021. Apart from 2016, the rate of growth for females consistently outstripped that for males.
- There are a number of broad recommendations for revenue administrations who are looking to improve women’s access to the tax system, based on observations from the case studies so far. These include:
  - Gaining an understanding of the digital landscape, particularly as it impacts on women, including barriers such as functional and digital literacy, and digital divide between rural and urban locations and women and men.
  - Gaining an understanding of how taxpayers interact with the tax system, and their awareness of their obligations to identify any gender differences that can be used in designing targeted tax awareness programs.

**Panel discussions (moderated by Ms. Margaret Cotton Deputy Division Chief FAD R1)**

**Mr. Pascal Bizimana Ruganintwali, Commissioner General, Rwanda Revenue** shared developments on gender equality in Rwanda and the Rwanda Revenue Authority.

- Due to its adoption of strong legal frameworks in support of gender equality Rwanda is ranked sixth in the world in terms of women’s rights and opportunities in the 2021 the World Economic Forum. Global Gender gap Report 2022. However, according to the Rwanda Ministry of Gender, there is a gap between the rights that the law ensures, and the state of women’s rights on the ground due to prevailing customary law and social norms. As examples, in the workspace, 66% of managerial jobs are occupied by men compared to 34% for women and outcomes for girls in secondary schools are significantly lower than for boys in some subjects.
- The Rwanda Revenue Authority (RRA) has developed an *Approach to Gender Equality*, based on 4 pillars: Data, Research, Staff and Taxpayers. The objectives and progress for each pillar are:

Data	
Objective	Progress
Disaggregation of data to the extent possible for use in policy formulation	Data disaggregation related to individual taxpayers has commenced
Participation in continental comparative data exercises	Experts are being consulted on disaggregating enterprise-level data
Research	

Objective		Progress
Participation in research projects on tax and gender to educate and inform future strategies	Grow the body of literature on tax and gender by participating in multi-country comparative studies.	Three projects are being scoped: <ul style="list-style-type: none"> <li>- Compliance (ICTD)</li> <li>- Female Officers (ITCD)</li> <li>- Presumptive Taxes (World Bank)</li> </ul>
Objective		Progress
Staff		
Help female colleagues to break into unrepresented areas	stamp out harassment and abuse against female colleagues and taxpayers	Analyzing RRA staffing structure  Benchmarking to create a scheme for female colleagues  Re-examining policies to consider how they protect female colleagues from harassment and abuse
Objective		Progress
Taxpayers		
Ensure the most vulnerable female taxpayers are secure, have safe spaces and a mechanism for raising safety concerns	Provide special services for certain groups of female taxpayers	Benchmarking to create a female taxpayers' program  Re-examining policies to consider how they protect female taxpayers from harassment and abuse

**Ms. Borjana Shaka**, Deputy Director General, General Directorate for Taxation of Albania shared the developments on gender equality in Albania and the General Directorate for Taxation (GDT):

- Gender Responsive Budgeting in Albania
  - Developments in gender equality
  - Human resources in the GDT
  - Revenue and taxpayer population
  - Human resources taxpayer population
  - Gender social protection program.
- Gender Responsive Budgeting in Albania began with a decision of the Council of Ministers in 2012. Albania's gender budgeting initiative is driven in large measure by its candidacy for EU membership and support from UN Women. It is also strongly influenced by the model in place in Austria. As

candidate for EU membership, the country has been working toward the restructuring of its economy and the reorganization of its administration in accordance with EU agreements.

- Since 1995 there have been many developments in gender equality and anti-discrimination. The legal frame for the promotion of legal equality has been considerably improved by the ratification of a series of important international documents and by other amendments. The most recent development was the approval in 2021 by the Council of Ministers of a National Gender Equality Strategy and Action Plan 2021-2030.
- GDT's human resource policies and processes assure merit-based selection, appraisal, and promotion within the GDT. Total staff is 1.450, with 45.2% women and 54.8% men. The proportion of female executives is 38.8% with women occupying 3 of the 4 most senior officials are women, and of the 32 mid-level directors, 11 are women.
- In Albania in 2022, the total number of employees was 714,388 and women comprised 47%, including 8% who are self-employed. 30 % of decision makers are women and since 2019, the gender pay gap has fallen from 10.1% to 4.5% in 2021.
- Under the Gender Protection Program, from January 2023 the Government of Albania, introduced a social protection program for mothers who are recognized as the main pillars of the family. Under the program, women who have more than three minor children will be supported with payment of social and health insurance for the first 5 years. Over 6500 mothers are beneficiaries and can apply through e-Albania portal. The GDT, together with the Ministries of Finance, and Health and the Social Insurance institute are involved in the implementation of the program.

**Dr. Jalia Kangave**, International Centre for Tax and Development (ICTD) focused on three topics:

- Determinants of tax compliance
  - Existing studies on gender and tax compliance
  - Ongoing research on gender and tax compliance.
- Research on factors that influence tax compliance is normally traced back to Allingham and Sandmo (1972). Factors identified in research include:
    - taxpayers are rational decision makers weighing benefits of evasion vs costs.
    - :to what extent is an individual's behavior influenced by those with whom they relate (social influence)
    - Are individuals more likely to pay taxes when they trust and respect their governments? (Political legitimacy)
    - Fiscal exchange: the receipt of goods and services in exchange for taxes
    - What role do incentives play in influencing compliance?
  - Research methodologies include:
    - Attitudinal surveys (perceptions, attitudes, and experiences)



- Simulation exercises (laboratory experiments to determine how participants would behave in taxpaying situations)
  - Field experiments (use of nudges to establish actual taxpayer behavior)
  - Analysis of administrative data
  - Limited use: interviews and FGDs.
- Most of the existing research on tax compliance and gender is based on either perception surveys or simulation exercises. There have been mixed results, however, most studies conclude that women are more compliant than men. The findings useful for understanding taxpayer perceptions and attitudes however, they do not tell us with certainty how taxpayers would behave in real tax-paying situations
  - Research based on the analysis of administrative data includes a 2020 study of the tax compliance of business enterprises in Addis Ababa, Ethiopia, based on the gender of the owners (Yimam and Asmare). the findings were:
    - Businesses owned by a female-majority were 19.8% more likely to be tax compliant than those owned by a male-majority
    - Irrespective of gender, the probability of being compliant declines significantly as firm size increases
    - However, female-owned businesses are relatively more compliant than male-owned businesses as firms become larger.

A 2021 study explored whether female sole proprietors on the Uganda Revenue Authority's taxpayer register more compliant than male sole proprietors (Kangave, Waiswa & Sebagala). the findings were:

- Women were significantly more compliant than men in filing returns
  - There were mixed findings on tax payments with compliance of men and women varying across years
  - Overall, there were low levels of compliance among both men and women with regards to filing and tax payment.
- While research based on the use of administrative data is the most accurate way of highlighting the gendered differences in tax compliance, it is not without challenges based on the veracity of the data sets (e.g., errors and duplication in taxpayer registers)
  - Further, the administrative data may highlight differences in behavior on a gender basis but does not explain why those differences exist. Ongoing ICTD research (Mascagni & Srivatsa) in Rwanda, Eswatini, Nigeria and Ethiopia has identified a number of factors affecting compliance, including:
    - In Rwanda, women are found to be better at filing tax returns. They are also less likely to believe that audits are for purposes of extorting bribes or other forms of corruption

- In Eswatini, there is no clear evidence relating to gender differences in non-filing. However, women are found to be less likely to see benefits in registering businesses
- Mixed findings relating to perceptions of fairness and trust in the tax system with women exhibiting lower levels of trust in some countries (Eswatini), perceiving it as fair in others (Ethiopia and Nigeria), while sometimes reporting it as less transparent (Nigeria).
- To understand the gendered dimensions of compliance with national taxes, it is necessary to understand the overall tax burdens that individuals in low-income countries face, which often place a disproportionate burden on women. Less than 5% of Africa’s adult population pays PIT compared to 50% in high income countries. However, individuals in Africa pay a wide range of formal subnational taxes, fees, and informal taxes. While studies are limited, subnational taxes place a disproportionate burden on women because of their lower income. (Moore et. al., (2018); SEATINI & Oxfam, (2021): Ligomeka, (2019); Akpan and Cascant-Sempere, (2022).

**Ms. Doris Akol**, Technical Assistance Advisor, IMF, Former Commissioner Uganda Revenue Authority shared the Uganda Revenue Authority’s experiences with gender mainstreaming, as an employer, administrator and in trade facilitation.

- Uganda has a long history of gender mainstreaming and empowerment of women at all levels both political and other spheres. Currently, the three most senior position holders in the government after the head of state are women. From 2002 to 2020 the Uganda Revenue Authority (URA) has had three successive female Commissioners General.
- As an employer URA promoted equality in the following ways:
  - females and males at the same level earning the same pay.
  - equal employment opportunities
  - implementation of sensitive labor policies such as maternal leave, and the ability to combine it with annual leave to provide female employees with sufficient time to bond with a newborn baby or a new addition to the family.
  - performance appraisals and deployments considering female staff carer commitments
  - policies to protect staff from harassment from coworkers and members of the public
  - provision of purpose-built mothering rooms and child care facilities at URA’s new headquarters.
  - Instigation of mentoring and coaching programs for potential female leaders. These programs have contributed to the approximately 40% of the senior leadership group being female leaders.
- A revenue administrator, URA recognized that it could utilize its information holdings to enhance access to information to women in business and the taxpaying public generally, It also led to the recognition of women as a taxpayer segment.

- In 2017, the inaugural annual Women in Business Conference was held. The objectives of the Woman in Business Conference are to improve financial literacy for women in business to enable them to improve both business and tax literacy. Business fundamentals like managing credit, debt repayments, being compliant with taxes and paying your taxes on time and in full, and other topics such as business modeling and business strategies have been covered in the conference sessions.
- The conference also provided for mentorship and role modelling from successful women in business. These entrepreneurs were profiled and given a platform to talk about their success journey in business. This would allow other women, such as those just starting out in business, to see that it is possible for women to be successful in business. The conference was also designed to inculcate among women entrepreneurs a culture of 'doing business as a business' and not just as a passion.
- A trade facilitation program was implemented for customs by the URA customs department in partnership with some development partners. This was implemented at border stations and One Stop Border Posts to enable women in cross-border trade to use a simplified trade facilitation regime to clear their goods. The simplified trade facilitation regime allowed them to clear their goods without needing to use customs agents or other intermediaries which would usually cost them a lot in fees and was likely to be stressful. In addition, to enhance their security, women were given access at border stations to overnight storage space for their goods so that they did not have to travel long distances with their trading goods at the end of each market day. The border stations also had gender friendly facilities such as female washrooms that may not otherwise be available in those locations.
- The trade facilitation program also provided women traders with access to customs information and custom services in a simplified more accessible way so that they would not need to rely on intermediaries. There was evidence that using intermediaries may result in either harassment or ethical dilemmas for women.

**• Group Discussion and Question and Answers (moderated by Ms. Debra Adams Division Chief FAD R1)**

**The panel discussion was followed by the following questions from the audience.**

- Have the speakers observed an increase in revenue collection after implementation of gender related reforms?

This question prompted a lively discussion. Speakers observed that it was too early to assess whether improving access for female taxpayers had increased revenue from improved compliance. Some had a sense that in their jurisdiction, women were more compliant than male taxpayers. It was pointed out that it was not clear that female taxpayers were not compliant and that there was some research that indicated that women in micro businesses paid more tax than they were liable for due to a lack of knowledge about tax. There was also evidence that women taxpayers can be scared of engaging with the revenue administration due to their lack of knowledge of tax and this also could result in payment of too much tax. Both issue could be addressed through tax clinics and similar taxpayer education

directed specifically to women traders with the aim of increasing their knowledge on tax matters and improving their perceptions of the revenue administration.

- Will the IMF be doing any analysis on the amount lost in tax revenue each year due to gender unequal tax policy or administration?

The IMF attendees indicated that there had not been any research to date, and that any future research would be undertaken by Tax Policy colleagues. They undertook to raise it with the Tax Policy Division. The person who raised the question made the point that this research would assist revenue administrations wanting to implement gender equality programs in their discussions with their colleagues in the Finance Ministry and with Ministers.

- What is the Human Development Index (HDI) of women and how to measure the indicator.

Reference was made to <https://hdr.undp.org/gender-development-index#/indicies/GDI> which provides data for countries, as well as a description of what is measured in respect of health, education, and command over economic resources. The IMF's pages on gender also provide useful links to relevant research and data. See <https://www.imf.org/en/Topics/Gender>

- Attendees from the South Africa Revenue Service (SARS) shared details of SARS gender equality initiatives. SARS has implemented a Women in Leadership Forum, which provided development, mentoring and coaching to women leaders. The Women in Leadership Forum has recently engaged externally in Social Responsibility Projects. Also established is a Junior Board, which develops, supports and nurtures emerging women leaders,