

Recognizing unpaid care workers through tax and fiscal justice



Governments' reliance on indirect taxes to raise revenues adds more burden to low-income families, instead of economic relief. Value-added Tax (VAT), Goods and Services Tax (GST), and excise taxes on fuel are especially burdensome for women who generally earn less than men and who take on a bigger share of care and domestic work. Given this, plus the impacts of austerity measures prescribed by international financial institutions and decades-long privatization of essential services, women's struggles for survival and economic and gender justice have become even more acute. As women's labor is exploited in homes and factories, the vast majority of women across the world continue to be time-poor, earn less than men, and have the least access to productive and other resources needed for social and economic resilience in times of crisis.

Millions of women across the world take on the bigger share of care work for families and households, a great deal of which are unpaid labor, and spend more of their income on basic household goods. The situation of women and other care workers who have no income of their own is often worse. Having to pay consumption tax for basic necessities worsens the already appalling situation of unpaid care workers, especially those who care for families that are barely surviving.

On top of the daily grind of taking care of the sick and elderly, cooking, cleaning, teaching children, and making do with deficient social services, the majority of women still have to find ways to earn to increase the income of their households. Surviving on a single income is almost impossible for many families and households. Many women have had to take on odd jobs (laundry, piece work, etc.) or find informal work even in the formal sector.

While many women would prefer to seek formal employment, they are constrained by care duties at home and the lack of state provisions for child care and other physical and social infrastructures needed to enable them to work 'outside the home' without sacrificing care responsibilities. The 2017 ILO-Gallup report points out that, globally, a majority of women, including those who are not in the workforce, would prefer to work paid jobs. However, they were constrained by the challenges of work-family balance and lack of affordable care such as daycare centers for children.

Social norms, gender stereotypes, and macroeconomic policies that undervalue care work as "women's work" or serve to confine women to unpaid domestic work and limit their social and economic mobility serve as barriers to women's full enjoyment of their rights: right to education, decent work, right to access public spaces and be represented in decision-making, and many others. These discriminate against women, perpetuate gender pay gaps, exacerbate the "feminization" of poverty, and continue to disempower millions of women across the world.

"WOMEN'S WORK" BY THE NUMBERS

An International Labor Organization (ILO) report issued in June 2018 states that gender stereotypes and biases toward care work are still influential even as attitudes towards the gender division of paid and unpaid care work are changing.

The 'male breadwinner' family model along with women's traditional caring role remains deeply ingrained within societies. The report says, globally, women perform 76.2 percent of total hours of unpaid care work, more than three times as much as men. In Asia and the Pacific, this rises to 80 percent with men performing the lowest share of unpaid care work of all regions (1 hour and 4 minutes). In Pakistan, men devote a mere 28 minutes or 8.0 percent of their total working time. In India, men do only 31 minutes (7.9 percent) of unpaid care work.

According to the ILO report, with data on two-thirds of the world's working age population, 16.4 billion hours per day are spent in unpaid care work - the equivalent to 2 billion people working eight hours per day with no remuneration. Were such services to be valued on the basis of an hourly minimum wage, they would amount to 9 percent of global GDP or US\$11 trillion (purchasing power parity in 2011).

Reference: Care Work And Care Jobs

https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633166.pdf



The undervaluation of care and care work is reflected in the gross imbalances and gaps in national budgets and lack of publicly funded care services, support systems for care workers, and physical and social infrastructures needed to reduce and redistribute care work. Care – caring for families, communities, and society as a whole – is an essential need and function of any society; it is not “just a woman’s responsibility,” but the collective responsibility of society.

The Asian Peoples’ Movement on Debt and Development (APMDD) advances a comprehensive agenda for tax and gender justice that takes into account the multiple and intersecting layers of discrimination that women in Asia face and particularly notes the following¹:

- ***“The invisible and unpaid care work of women; the multiple responsibilities of house-work; and economic activity for income*** -- *Women assume a hugely disproportionate share of care labor or social reproduction. Taking care of the household, the children, the elderly, and the sick are still mainly seen as ‘women’s work’ – which are not valued (not seen as work) or undervalued (not seen as equally important to other work) and largely unpaid. The invisibility of women’s work is also an issue in economic production, where some of the work that women do are not recognized as part of the production process. It has been said that women perform more than two-thirds of the world’s work, produce almost half of the world’s food, yet only receive a small fraction of the income they would have otherwise earned, and only own one percent of property.*

“Care labor and more specifically social reproductive work are not only largely unrecognized and uncompensated, but it also continues to be exploited under capitalism and made to feed into global trade and production chains in the current context of neoliberal globalization. It is also assumed that such care work rendered by women will take on the burdens resulting from the steady decline in public subsidies, or when essential social services are privatized.”

“We challenge such measures as the household and GDP, that do not take into account micro to macro inequalities in power and entitlements and fail to recognize the significant contributions of women’s unpaid work throughout human history.”

- ***“Women’s status and treatment within the family and within the context of marriage*** -- *Despite playing a central role in caring for the family, women have secondary and/or subordinated status in the family with less power and privileges. Issues under this include women’s subjugation in the household decision-making process, the prevalence of domestic violence, prioritization of children’s and male partners’ health and nutrition over women’s, unjust household practices such as the dowry system, child/forced marriages, domestic violence, male-privileging inheritance and property rights, and discrimination over single and female-headed households, the problematic assumption that heads of households are always male.”*

The road to equality for women requires a change of course, most especially to assert the cause and rights of the most vulnerable women which includes unpaid care workers.

Fiscal and tax systems should thus be transformed to ‘make taxes work for women,’ revalue care and render what is due to unpaid care workers; truly serve the interests of people and the planet, and work for the building of just and equitable societies. Toward these ends, we advance the following calls and demands:

1. REDUCE UNJUST TAX BURDENS ON WOMEN; TAX THE RICH, NOT THE POOR

Regressive taxes like VAT and GST disproportionately burden women who make up the majority of the poor and who spend more on household necessities like food and utilities. The system of raising revenues by relying on indirect taxes only worsens the situation of unpaid care workers who do not earn any income to spend and who are part of or work with families who do not have much to spare as well. Unpaid care workers and women doing domestic work who have no regular income of their own but who have to care for families are hard pressed to manage with the additional VAT or GST on top of the prices of consumption goods.

But governments usually spare high-net-worth individuals and hard-to-tax groups, taxing regressively, while offering generous tax incentives to corporations. They focus on collecting sales and consumption taxes such as VAT, GST, and excise taxes that do not account for vast income disparities between the rich few and the poor majority. Meanwhile, tax avoidance and evasion by elite individuals and corporations remain unchecked and have led to the loss of potential tax revenues.

(See article: [The Pandora Papers Exposé: Hoarding wealth amidst global hunger and uncertainties](#))



VAT and GST are major sources of revenue in countries in Asia. But VAT, GST, and excise taxes on fuel weigh heavily on low-income households. In March, APMDD members in India agreed to campaign against the rise in fuel prices and LPG (Domestic Cooking Gas) prices. “Price increases in essential commodities impact women more than men as they are the ones who manage household expenses. A campaign to understand the issue is necessary,” said one of the organizers of the consultation.

Unfortunately, some governments in the region are looking to increase regressive taxes further. Pakistan is likely to increase the sales tax rate to 18 percent from 17 percent in the federal budget 2022–2023. Sales taxes are, similar to VAT, regressive as a uniform amount is paid regardless of income.

In the Philippines, the Department of Finance is also proposing the expansion of the VAT base and the repeal of exemptions to the new government. The standard VAT rate of 12 percent of the gross selling price or gross value currently applies to most supplies of goods, properties, and services. Changes to the VAT regulations were made in 2021 under the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act. The law introduced a lower corporate tax and increased the excise taxes on fuel, automobiles, tobacco, and sugar-sweetened beverages with corresponding impacts on the prices of other goods and services consumed by Filipinos.

Indonesia already increased the VAT rate from 10 percent to 11 percent, effective 1 April 2022. Basic goods and services (rice, meat, public transport, etc.) will continue to be exempted.

Instead of increasing the tax burdens of ordinary people, governments should work toward progressive taxation that has the potential to earn much bigger tax revenues.

2. REDUCE AND REDISTRIBUTE UNPAID CARE WORK; INCREASE ALLOCATION OF TAX REVENUES FOR PUBLIC SERVICES

The dismal state of public services, revealed so poignantly during the height of the pandemic, is the outcome of decades-long privatization of essential services including health care, underfunding of public services, and other 'belt-tightening' measures prescribed by the IMF-WB on developing countries. Debt servicing and military spending also ate up chunks of national budgets in the region. Systematic tax avoidance by corporations and the elite, and other forms of illicit financial flows led to foregone revenues and drained economies of precious resources much needed for public services.

Philippines



But massive resources are needed for governments to decisively address the collective plight of unpaid care workers and fulfill the commitment to reduce and redistribute care work.

Tax revenues should be allocated to priority and essential public services that fulfill basic needs and rights, and serve to reduce and redistribute care work, such as the following:

- Primary health care facilities, including quality and gender-responsive reproductive health care;

- Day care facilities and other social infrastructures that truly address women and children’s needs;
- Assisted living facilities for the elderly and persons with disability, and public spaces and buildings with assistive technology;
- Safe, women-friendly and accessible public spaces, especially markets, footbridges, roads, and WASH (water, sanitation, and hygiene) facilities, sources of clean and safe water; and
- Lean, accessible and affordable, and safe energy for household needs.



Bangladesh

3. RECOGNIZE, REPRESENT AND REWARD UNPAID CARE WORKERS

Barriers to care workers’ social life, violations of their human rights, and their economic insecurity and poverty must be addressed as a matter of justice. Unpaid care workers, because they are not recognized as ‘workers’, do not enjoy basic workers’ rights including decent and fair wages,

organization and joining of unions, economic initiative, social security, and retirement. Their workplaces – the ‘homes’ – are often deemed as ‘private spaces’ that are not supported or monitored for health and safety. They receive no assistance for sudden changes in work conditions, unlike other workers who have the right to assistance from loss of employment or receive some relief in emergencies like during the COVID-19 work slowdowns and closures.

Governments and societies must ensure their enjoyment of basic workers' rights and other rights, including economic security, rest and leisure, equal access to public service, and participation in the cultural life of the community. Governments should ensure social protection, especially health and social security; ensure access to quality and gender-responsive continuing education and lifelong learning; and, reward unpaid care work through tax credits, VAT/GST exemptions, and/or other financial instruments.

Tax systems should be rights-based and tax policies can be made to ensure that tax revenues are raised and spent in ways that promote human rights and gender equality. Governments must step up to adequately finance gender-responsive social services that promote women's rights and reduce inequalities, including through gender-responsive budgeting.

4. STRENGTHEN WOMEN'S VOICE AND PARTICIPATION IN DECISION-MAKING, including on tax and fiscal policies and other social and economic policies that affect women's lives.

Women in unpaid care work and other fields and situations that hinder their economic autonomy and full exercise of their rights should be recognized and have the right to representation and participation in public life and decision-making. Spaces and resources must be allocated to support community-based women's organizations and initiatives.



Governments have to work to realize their commitment to this agenda in the [Beijing Declaration and Platform for Action](#), the most comprehensive agenda to date, on gender equality and women's empowerment. The Platform for Action brought forward issues that impact women and girls and an understanding of women's and girls' rights and ushered in a new mindset that realizing the full potential of women and girls is a powerful and essential component of sustainable development. Among the issues identified that impact women and girls are poverty, violence against women, girls' education, and equal participation of women in the labour market, especially in highly skilled jobs, STEM industries, and senior management. It is committed to promoting the balance of paid work and domestic responsibilities for women and men.

5. SYSTEM CHANGE: TOWARD JUST AND EQUITABLE SOCIETIES THAT VALUE CARE AND WORK FOR PEOPLE AND PLANET

Tax and gender justice require a radical rethinking of the value of care work and women in society. A transformative agenda for social and economic rebuilding that revalues care work and places people's and the planet's well-being at the center starts with a departure from the current capitalist and patriarchal system that feeds off the unpaid and underpaid labor of millions of women for the benefit of the elite few and corporate giants.

It is the sovereign right of people to reform their tax systems and institute policies away from the tax-related impositions of international financial institutions and toward people's needs and interests, and equality.

Unpaid care workers must be full participants in transforming the economy where care is valued as a public good and care workers can exercise their rights as workers and achieve economic autonomy and gender empowerment.



India

SPARSE RESPONSES IN THE TIME OF PANDEMIC

COVID-19 has underscored unpaid care and domestic work as the burdens of care workers were multiplied with households keeping indoors because of the shift to online classes and work from home arrangements, and further extended in households when household members are infected with COVID 19 and, at the height of infections, hard pressed to access health care because of the overwhelming number of patients.

The COVID-19 pandemic worsened the situation of women doing unpaid care work. According to Amnesty International (AI), before the pandemic, women and girls were provided 12.5 billion hours of free care work every day globally. A sharp disparity is visible in South Asia. Referring to an Oxfam report, AI says “women in India spend 10 times more time on care work than men – both in urban and rural settings. In Bangladesh, women spend nearly thrice the time men do. This arrangement of ‘all work and no pay’ while fuelling economic growth, has deprived women and girls of time and resources for education, skill development, or gainful employment. Unpaid and underpaid care work, a driver of inequality, has always left women with precarious jobs, insecure incomes, and no social safety – marginalized to the informal economy.” (READ [Oxfam Paper Time to Care](#)).

But government actions have not been responsive to the situation. The most common responses have only been food or food stamp distribution, cash transfers, and discounted utility bills, among others.

According to the [2021 ESCAP report](#), “unpaid care and domestic work in Asia and the Pacific in the context of the COVID-19 pandemic reveals that of the various socioeconomic policy response measures instituted to date, less than 30 percent are care sensitive and only 12 percent are gender differentiated.”

The ESCAP report further noted that of care-sensitive and gender differentiated responses, there seems to be more social protection and cash transfers aimed at women but with time limitations. There seems to be much less emphasis on the gender dimensions of care infrastructure and provision of care services. “The few gender-responsive and care-sensitive measures that have been put in place have been short-lived or are at risk of being rolled back or undone once the crisis eases,” the ESCAP noted.

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