



# Taxation, gender and informality: A view from lower income countries

Vanessa van den Boogaard

*International Centre for Tax and Development/  
University of Toronto*

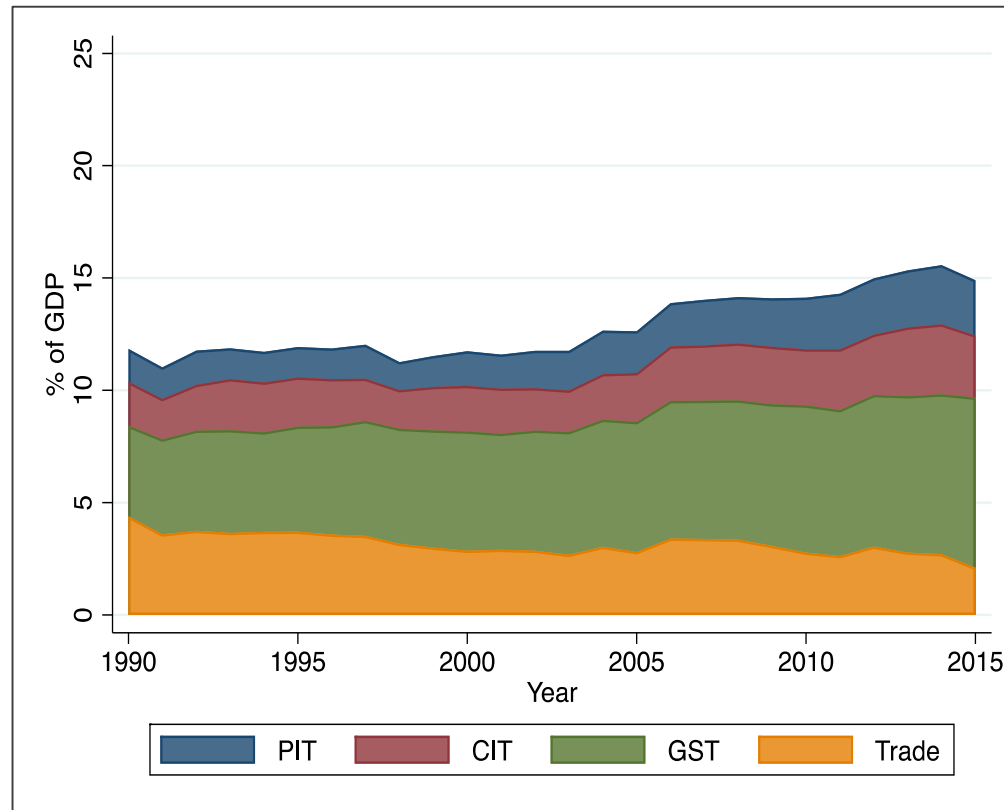
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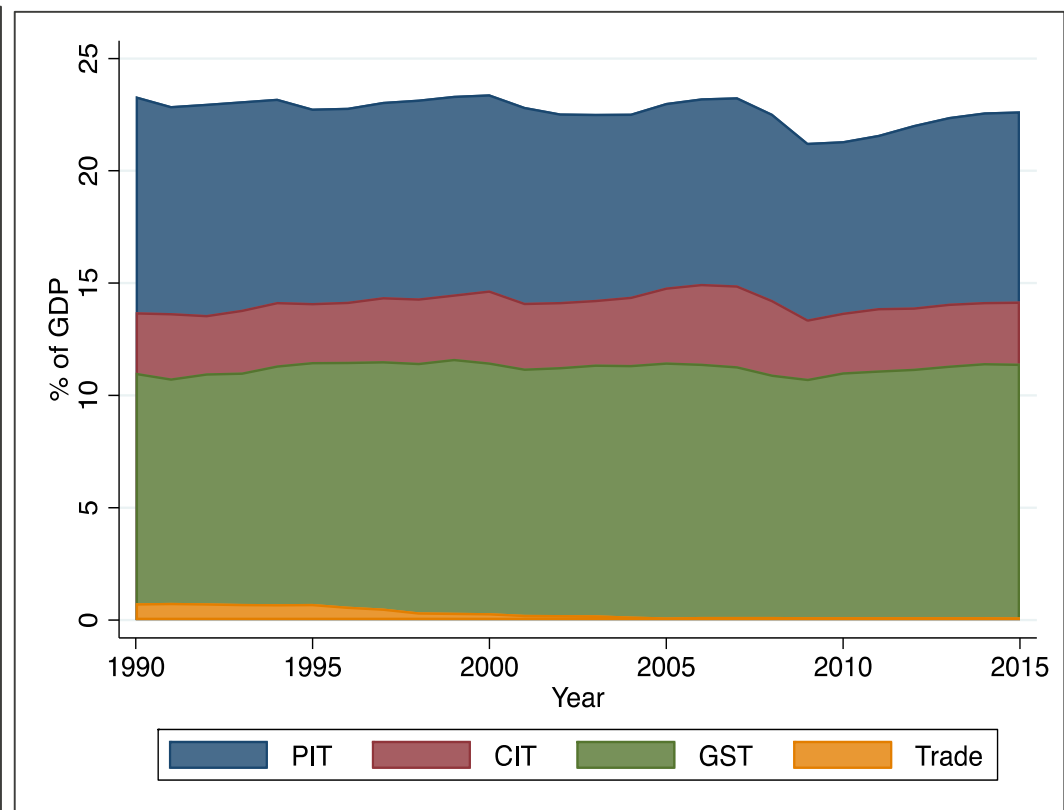


# Focus on high income countries overlooks the way that people interact with tax systems in lower income countries

## Low income Countries



## OECD Countries



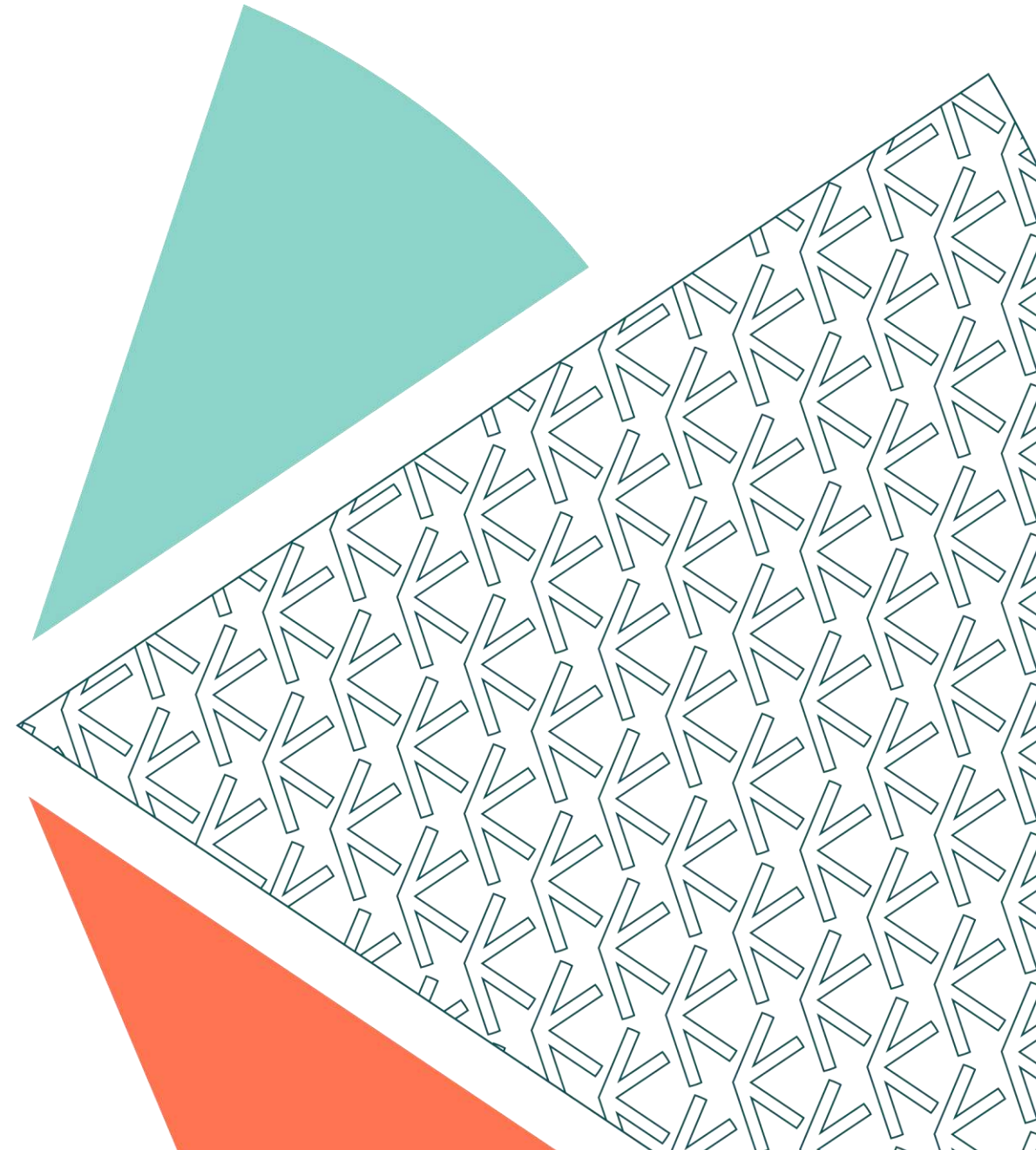


## Gender, tax and informality in lower income countries

While formal tax payment is limited, individuals and businesses often pay:

- Presumptive taxes, market fees
- Small and informal taxes and user fees

While often overlooked, these have significant gendered impacts.



# Gender and taxation of the informal economy

Taxation of the informal economy is often:

- Highly regressive
- Highly discriminatory

Both dynamics are likely to affect women more negatively than men.



## Gender and small and informal taxes and user fees

User fees and informal taxes (*contributions to public goods outside of the formal tax system*) emerge to provide services that would otherwise be paid through formal taxes.

Overlooking subnational and informal systems of public finance has implications for how we understand gender inequities.



## Gender inequities in small taxes and fees: Market fees in Zimbabwe

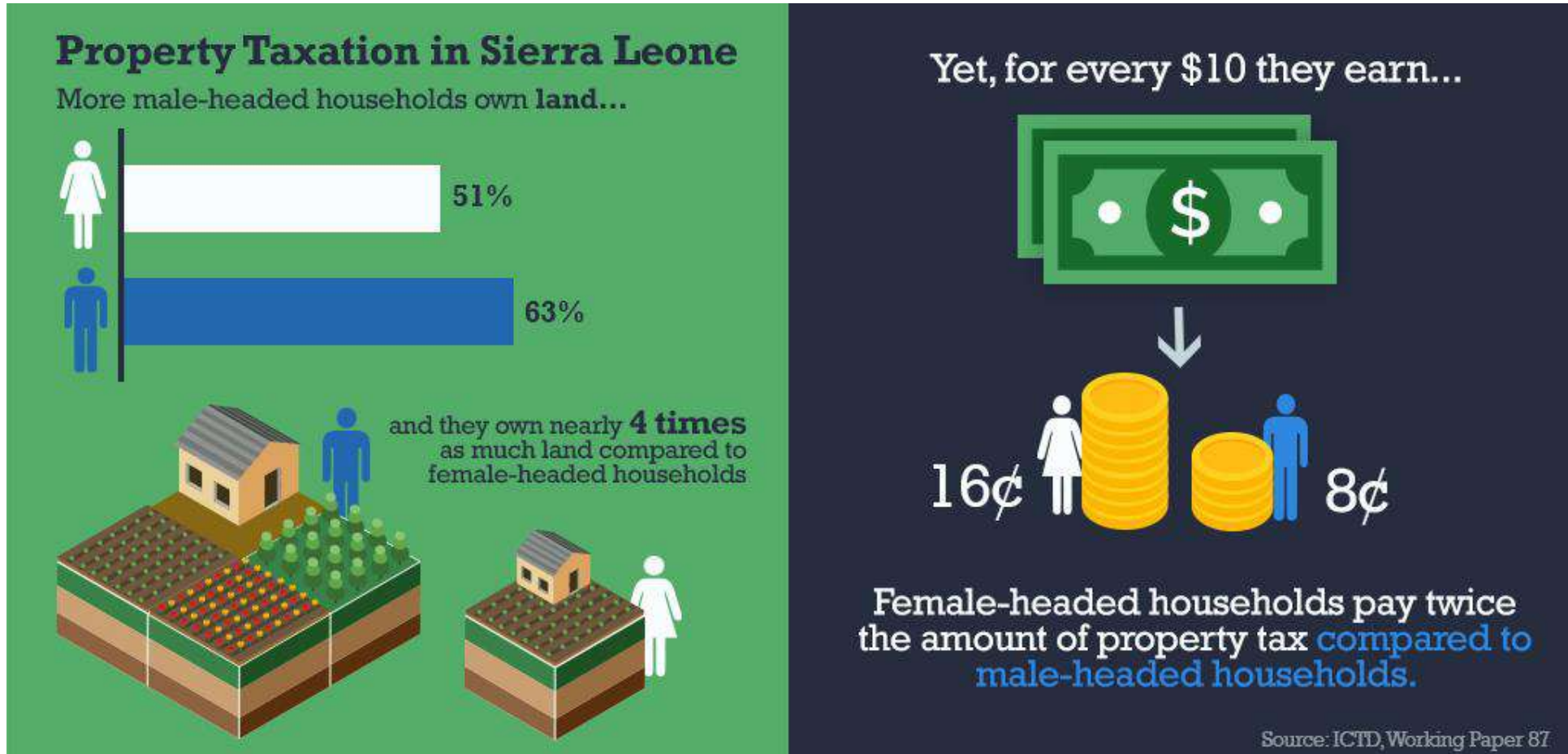
- Most traders are women, who make less
- Tax rates of \$25/ month  
monthly earnings <\$500/  
month
- Effective tax rate higher than  
for PIT



# Gender inequities in small taxes and fees: Toilet taxes in Tanzania

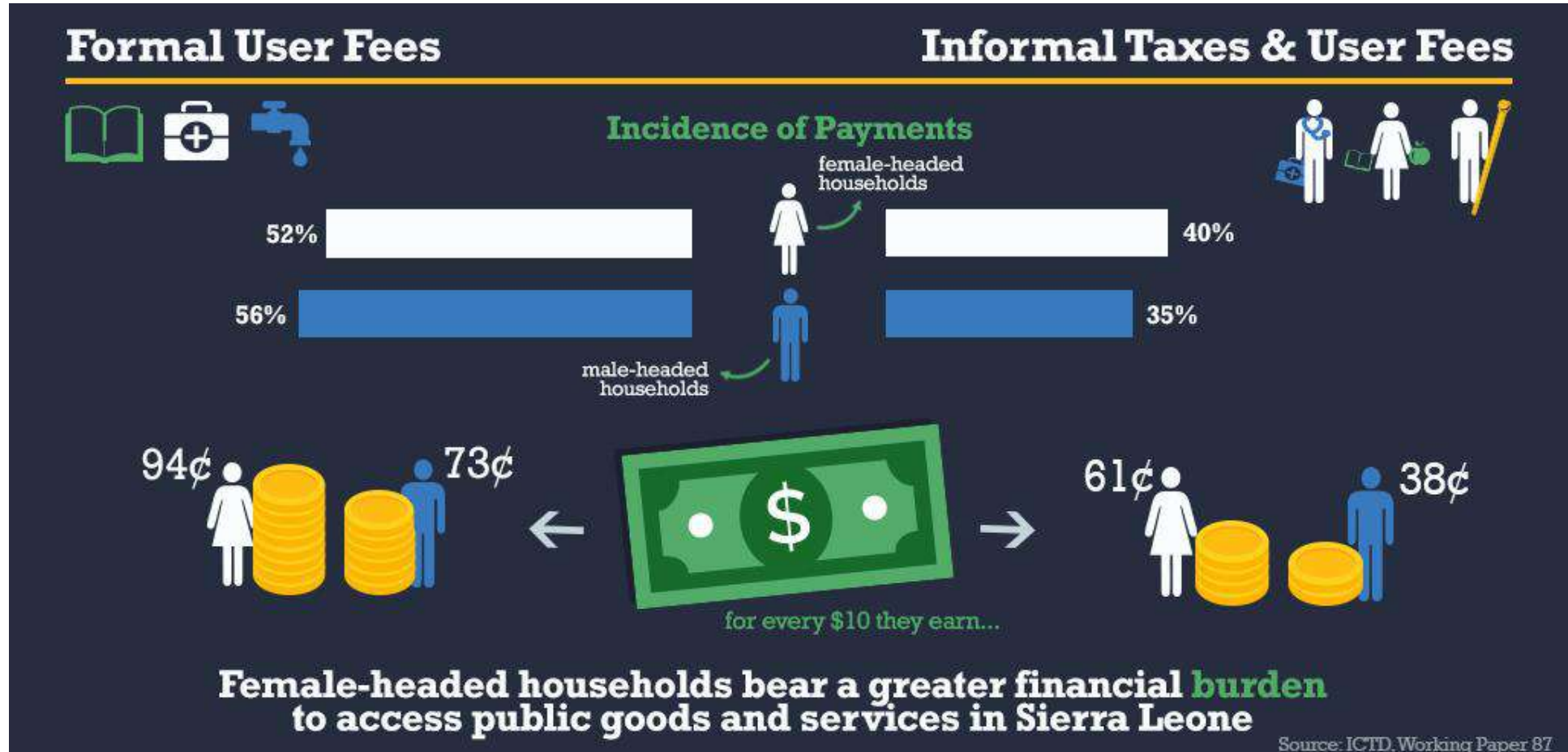


# Gender inequities in small taxes and fees: Formal and informal systems of taxation in Sierra Leone





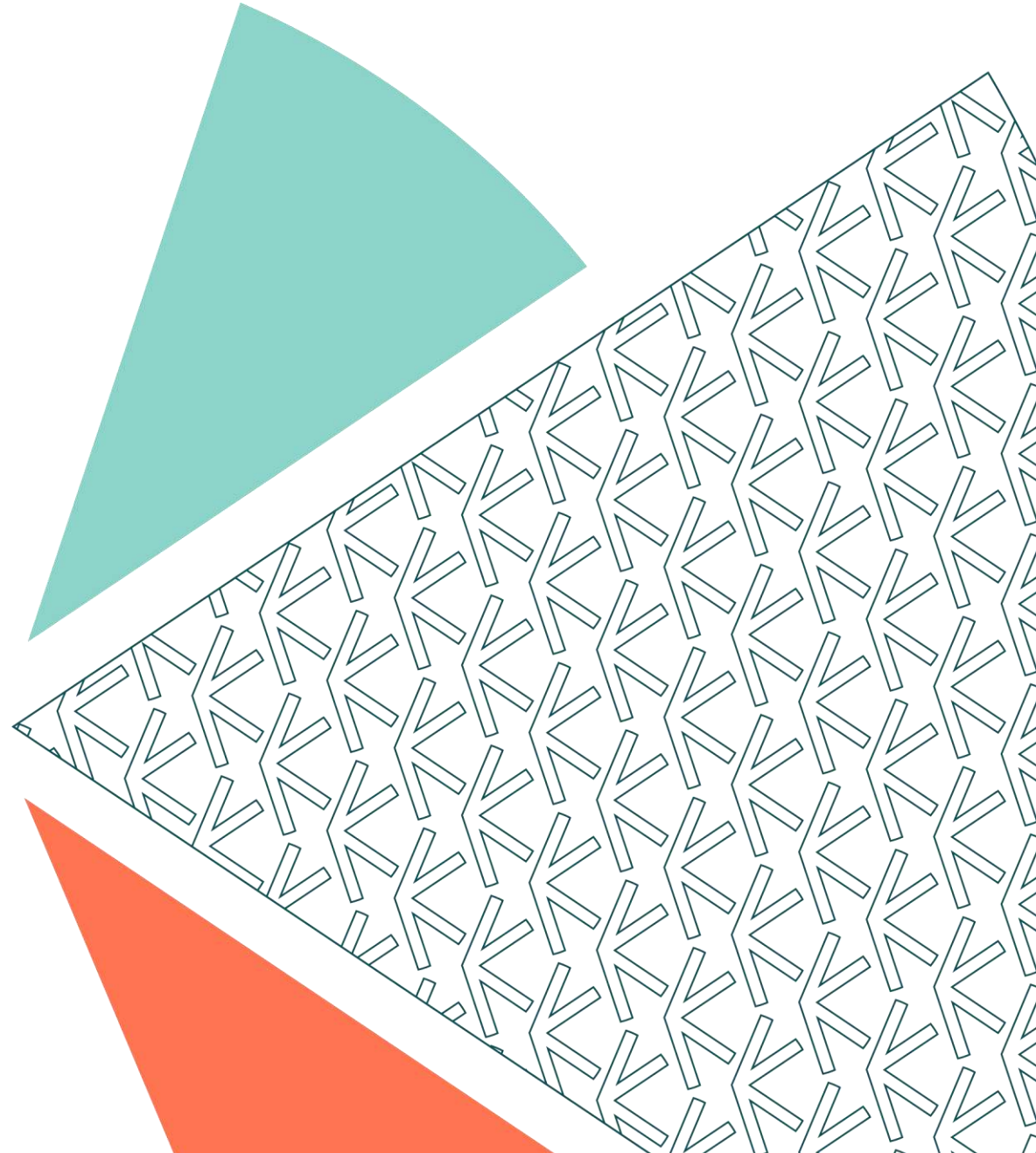
# Gender inequities in small taxes and fees: Formal and informal systems of taxation in Sierra Leone





## Implications

- Capture formal and informal institutional realities, as well as subnational and informal taxes and user fees
- Rethink taxing the informal economy
- Focus on progressive taxation and reducing burdens on the poor





Thank you!

Vanessa van den Boogaard

 @VVandenboogaard

[www.VanessaVanDenBoogaard.com](http://www.VanessaVanDenBoogaard.com)