

Women's rights group advocates legal reforms in tax regime

BY JONATHAN DONKOR

THE Network for Women's Rights in Ghana (NETRIGHT) is advocating legal reforms in the country's tax regime based on a new study that reveals hidden inequalities and biases in the domestic revenue mobilisation system.

In the agriculture sector, for instance, the study showed that tax exemptions for cash crop cultivation, particularly cocoa, primarily benefit men who dominate this sector while women, who are more involved in food crop production, do not receive similar tax reliefs.

The study, commissioned by the network, shows that while the tax regime is designed to be gender neutral and, therefore, does not openly discriminate, it does not translate in equal tax implications for men and women due to economic and social disparities between both genders

Presenting findings on the "Gen-



• Participants after the programme
Photo: Godwin Ofosu-Acheampong

der analysis of Ghana's tax regime" at a policy dialogue in Accra on Friday, Dr Gloria Afful-Mensah, a senior lecturer at the Economics Department of the University of Ghana, who conducted the study, said that implicit gender biases existed in both direct and indirect taxes as well as tax reliefs for various sectors of the country's economy, including agriculture.

The policy dialogue, themed "Advocating gender-responsive and equitable tax reforms to strengthen

Ghana's tax system", aimed to start a conversation on common strategies to push for fair and equitable policy and legislative reforms to enhance Ghana's tax regime.

Attended by parliamentarians, academia, and Civil Society Organisations, it also facilitated engagement with the Ghana Chapter of African Parliamentary Network on Illicit Financial Flows (IFFs) and Taxation.

The event is part of a three-year project by NETRIGHT and Tax

Justice Network Africa to help tackle IFFs and ensure enhanced, fair, and equitable revenue mobilisation.

Highlighting the implicit biases, Dr Afful-Mensah said that the personal income tax primarily targeted the formal sector, which was dominated by men, resulting in them bearing a greater tax burden. However, she noted that the biases manifested in the tax reliefs granted.

She explained that the age-de-

pendent relief, intended to support individuals caring for elderly relatives, was equally available to both genders, but since women spent more time providing unpaid care, this uniform relief inadvertently disadvantaged them.

Dr Afful-Mensah stated that indirect taxes, such as Value Added Tax (VAT), showed gender disparities, as female-headed households spent a larger portion of their income on food, making them more susceptible to food-related taxes and a heavier tax burden than male-type households.

Dr Afful-Mensah said that although recent efforts to widen the tax net, such as the digitalisation drive, were beneficial and justified, they must be carefully implemented considering the different implications of taxes on men and women.

For instance, she observed that the reluctance of customers to add charges on mobile money transactions due to the e-levy was affecting small businesses, dominated by women, who relied on mobile money for transactions.

The Head of NETRIGHT Secretariat, Patricia Akakpo, called for collaborative efforts to ensure an equitable tax regime to create a fair economic environment and reduce the burden on vulnerable groups, as well as curb IFFs for sustainable growth.