

Gender and Fiscal Policy

A Methodological Proposal and Its Application to Jordan and Armenia

Jon Jellema

Caren Grown

Alan Fuchs

Matthew

Wai-Poi

Sailesh

Tiwari

Mariano Sosa

WORLD BANK GROUP

Poverty and Equity Global Practice

March 2024

Abstract

Fiscal policies affect households and individuals in a variety of ways. Even though these effects are likely to be different for men and women, conventional tools of fiscal incidence analysis are typically unable to capture these gender differences. Using a particular type of incidence analysis known in the literature as the Commitment to Equity framework, this paper proposes a methodology to overcome this challenge. A particular novelty the paper introduces is the explicit incorporation of social reproduction into the fiscal

incidence analysis framework, enabling the implicit valuation of unpaid work that is typically undertaken by women on activities such as cooking, cleaning, and caring for children and the elderly. Applying this methodology to the cases of Jordan and Armenia—two countries with very different approaches to fiscal policy and cultural norms around the economic and social roles of men and women—the paper also highlights some of the insights that this engendered perspective could add to standard fiscal incidence analysis.

This paper is a product of the Poverty and Equity Global Practice. It is part of a larger effort by the World Bank to provide open access to its research and make a contribution to development policy discussions around the world. Policy Research Working Papers are also posted on the Web at www.worldbank.org/prwp. The authors may be contacted at j.jellema@worldbank.org; afuchs@worldbank.org; mwaipoi@worldbank.org and stiwari@worldbank.org.

The Policy Research Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about development issues. An objective of the series is to get the findings out quickly, even if the presentations are less than fully polished. The papers carry the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions expressed in this paper are

Produced by the Research Support Team

Gender and Fiscal Policy – A Methodological Proposal and Its Application to Jordan and Armenia*

Jon
Jellema
Matthew Wai-
Poi

Caren Grown

Sailesh Tiwari

Alan Fuchs

Mariano Sosa

JEL Classifications: H22, H23, J16

Keywords: taxes, transfers, incidence analysis, gender

* This paper was produced by the Global Solutions Group for Fiscal and Social Policies and Equity of the Poverty and Equity Global Practice of the World Bank. The work was done under the managerial oversight of Benu Bidani (Practice Manager, Poverty and Equity Global Practice Unit) and the overall guidance of Carolina Sanchez Paramo (Global Director, Poverty and Equity) and Hana Brixi (Global Director, Gender). Several rounds of helpful comments and feedback were received throughout the process from a technical advisory group that included David Coady, Susan Himmelweit, Abena Oduro, Nora Lustig, Daniela Casale, Janet Stotsky, and Stephen Younger. The authors also gratefully acknowledge the financial support received from the Hewlett Foundation and the Global Tax Program (GTP).

1 Introduction

Public revenue and expenditure policies, or taxes and transfers, shape individuals' behaviors, consumption, savings and investment patterns, participation in labor markets, and access to social safety nets and other publicly provided goods and services. Poor and vulnerable women, men, and children make decisions about how much to work outside the home for pay or inside the home without pay, about how much to save and spend, about what to buy, and about which services are essential for which household members. These decisions are often made under severe financial, social, and cultural constraints, which fiscal policies can either ameliorate or exacerbate. Fiscal incidence analysis (FIA), which accounts for the receipt of public expenditures (transfers) and contributions to public revenues (taxes), can demonstrate how policies affect welfare, purchasing power, and wealth, and can identify policies that are most effective in redistributing public resources to those who need it most.

While FIA has become an integral component for assessing the equitable nature of fiscal systems, most FIA work does not attempt to describe how fiscal policy differentially impacts men, women, and children. Incidence accounting at the individual level is challenging for two reasons. First, fiscal policies either support or hinder activities a household member pursues, rather than individual household members or their characteristics. Second, when tax burdens and transfer benefits are linked directly to individuals or their characteristics, they may or may not be shared broadly among all household members. For instance, a woman receiving a cash transfer may not necessarily control how that additional income is used. Analogously, a man's statutory liability for income taxes may not mean he alone will bear the entire economic burden of any income lost to tax payments.

Gender norms influence the activities in which men and women participate. Fiscal policy either supports economic and social activities through public expenditures or makes such activities more expensive by imposing taxes. For example, Barnett and Grown (2004) identify four differences in economic activity which condition the impact of fiscal policies: gender differences in paid formal and informal employment and wages, gender differences in unpaid care work or participation in social reproduction, gender differences in asset ownership, and gender differences in consumption behavior. The imposition of taxes on the wages of those who are formally employed or the support of subsidy expenditures encouraging consumption of basic commodities, for example, link fiscal policy directly to economic and gender-based inequality.

International frameworks have also implicitly connected fiscal policy to gender inequality. For example, the Sustainable Development Goals 2030 (SDGs) have listed gender equality (SDG 5) and reduced inequality (SDG 10) as separate goals; while SDG Target 5.4, "Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies..." and SDG Target 10.4, "Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality" are listed separately. Both dimensions of equality will likely be addressed through a common set of fiscal and social policies.¹

1. Social and fiscal policies supporting goals and activities in targets 5.4 and 10.4 will be funded at least partially by countries' own revenues, which also links these SDG targets explicitly to tax and revenue collection policy. While grants, donor aid, and concessional loans will partially fund or otherwise support public policy, the contribution from domestic resources is expected to be equally large if not larger (Lagarde and Gaspar 2018). For an empirical look at how increased mobilization of domestic resources may weaken the equity impacts of expenditures, see Lustig (2018).

This paper makes two main contributions to the literature on the equity impacts of fiscal policy. First, it uses the Commitment to Equity (CEQ) framework to bring taxes and benefits together to examine the differential impacts of fiscal systems on activities that men and women undertake at the household level.² Developed in 2008, the CEQ framework examines how taxes and spending (including indirect subsidies, education, and health expenditures) affect income inequality and poverty at the country level. Since the development of this methodology, it has been applied to more than 105 countries across the world.³

Second, this paper explicitly brings social reproduction into the FIA framework. Social reproduction is the production and maintenance of human capabilities, often undertaken by women, such as cooking, cleaning, and caring for children, the elderly, and other dependents; subsistence activities like fetching water; and the provision of cultural, social, physical, and educational guidance necessary for the household members to thrive and increase their capability. Social reproduction is crucial for the development of human capabilities; it is therefore a necessary condition for the short- and long-term growth of economies and the social and cultural institutions supporting the economies. We treat social reproduction as part of a household's total social and economic activity. Social reproduction – how it is accomplished and who accomplishes it – is therefore subject to the same type of constraints that inform other household decisions. We suggest a household-level typology to understand *which* households are involved in *which* activities critical for social reproduction and, based on a large literature about the gender division of paid and unpaid work,⁴ make assumptions about *who* in those households is responsible for those activities. This analytical choice allows estimation of the likely impact of fiscal policies on individuals – based on their household roles – to incorporate a deeper understanding of gender inequalities in economic life.

The rest of the paper is organized as follows. Section 2 provides a summary of studies that have investigated the differential impacts of fiscal policies on men and women and situates this paper's contributions within that literature. Section 3 includes a discussion of gender, social reproduction, and the market economy and outlines the various ways in which a gender lens might feature within a fiscal incidence analysis. Section 4 introduces the CEQ and proposes a methodology for practitioners in examining the different ways in which fiscal policies support or undermine equality between men and women. Section 5 presents the application of the proposed methodology to the cases of Jordan and Armenia, highlighting some of the main results. The final section concludes with some reflections on the application of this methodology to other countries and the kind of data that could be useful to extend it further.

1. The CEQ approach was developed by the Commitment to Equity Institute (CEQ Institute) at Tulane University. The methodology, implementation guidelines, applications, and software of the CEQ approach can be found in Lustig, Nora, ed. 2018. *Commitment to Equity Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty*. Brookings Institution Press, pp. 3–55. As such the methodology is a registered trademark.

2. The World Bank and the CEQ Institute are responsible for approximately two-thirds of the existing or ongoing CEQ assessment exercises while the CEQ Institute and other partners are responsible for the remaining one-third.

3. See Charmes (2019, 2022); Rubiano and Vollaz (2019); Dinkelman and Ngai (2022); and Pailhe, Solaz, and Stanfors (2020).

2 Gender Dimensions in Fiscal Policy

Early studies investigating the differential impacts of fiscal policy across sex and gender⁵ looked at the expenditure or tax sides of fiscal policy in isolation. For example, Selden and Wasylenko (1995), Demery (1996), Sahn and Younger (2000), and Pritchett and Filmer (1999) examined the incidence of education and health expenditures separately for men and women using a sample of 57 Demographic and Health Surveys (DHS) from 41 countries. Glick, Saha, and Younger (2004) developed a more systematic attempt to “engender” benefit incidence analysis, examining gender gaps in benefits from health, education, and infrastructure (water supply, electricity, and roads).⁶ Using household survey data from Bulgaria, Ghana, Jamaica, Madagascar, Mauritania, Pakistan, Peru, Uganda, and Viet Nam, they calculated the share of benefits as the proportion of males/females in any given quintile that benefit from a particular public service in these sectors and documented large gender gaps in access to these services.

Grown and Valodia (2010) investigated the differential burden of taxes across genders via household types.⁷ For example, households might have male, female, or joint income earners; or male or female adult majorities; or younger- or older-age dependents (or both). Tax incidence⁸ is estimated and compared across the different household types and across the post-tax expenditure distribution. More recently, Komatsu and others (2021) used sociological, cultural, and institutional information regarding the role of women in agricultural production in Ethiopia to better illuminate why a statutorily *neutral* agricultural income tax and rural land use fee nonetheless created larger economic burdens for households distinguished by having female agricultural landowners.

Greenspun (2019) used the Grown and Valodia (2010) household categories but brought both the expenditure and tax sides together within the CEQ assessment FIA framework.⁹ The CEQ assessment architecture is fully generalizable to any social, economic, or fiscal context. More recently, Ambel, Wondignagegn, and Yonis (2022) estimated the differential impacts of fiscal policy within a CEQ assessment framework for Ethiopia.

The approaches described above capture certain aspects of gender relations at the household level: it is the household that is classified according to type, and it is across households of different types that the incidence of fiscal policy is compared. Estimating a complete intrahousehold distribution of benefits or burdens from fiscal policy requires fine-grained individual data which is often not available. The reason is neoclassical economic

5. Sex refers to the biological differences that characterize males and females, while gender is the social construction of male and female identity based on biological differences (see page 5).

6. More recent work looking at the differential impact of benefits or transfers created from public expenditure includes Aziz, Gemmell, and Laws (2013) for New Zealand; Doorley and Keane (2020) for Ireland and the United Kingdom; and Garcia-Peña (2019) for Barbados.

7. Grown and Valodia (2010) piloted the proposed methodology in eight countries: South Africa, Ghana, Uganda, Morocco, India, Mexico, Argentina, and the UK.

8. Incidence is measured as cumulative taxes paid as a share of post-tax household expenditure. Other studies estimating the differential incidence of direct tax regimes include Doorley and Keane (2020) for Ireland and the UK; Aziz, Gemmell, and Laws (2013) for New Zealand; Lahey (2017) for Australia; Garcia-Peña (2019) for Barbados; Rossignolo (2018) and Rodriguez-Enriquez and Aguila (2017) for Argentina; and Bakker and Philipps (2018) for Canada. Other studies estimating the differential incidence of indirect taxes include Garcia-Peña (2019) for Barbados; Vjil (2017) for Nicaragua; Casale (2012) for South Africa; Fragoso and Gonzales (2010) for Mexico; and Bucheli and Olivieri (2013) for Uruguay.

9. Greenspun (2019) covered five Latin American countries.

theory assumes that households maximize the welfare of all household members, and that the household functions collectively and has a single, cohesive objective. Neoclassical economic theory also assumes that individuals maximize their own personal utility, including, for example, deciding whether and how to share any personal income gains or agreeing to share tax burdens. Household-based surveys do not yet systematically capture how the income-based benefits received and the income losses from tax payments are shared among individual members of the household.¹⁰

Understanding how the income gains and losses generated by transfers and taxes are allocated among individual household members is necessary to understand how fiscal policies create individual impacts. A class of empirical models has attempted to capture intrahousehold resource allocations using information on exclusive or assignable expenditures; an example of the former is spending on toys exclusively for children and of the latter is expenditure on clothing for boys, men, girls, and women (Lewbel and Pendakur 2008; Dunbar and others 2013; Chiappori and others 2002; Bose-Duker and others 2021; Bargain 2022). In describing how the intrahousehold allocation of resources creates inequality within the household, or varying levels of resource poverty for different members of the same household, these models allow a description of how intrahousehold inequality changes from pre-fiscal to post-fiscal income levels.

However, three practical disadvantages of empirical models of intrahousehold allocations make it hard to apply them widely and transparently to gendered fiscal incidence analysis. First, in low-income settings, and for low-income households in low- and middle-income settings, assignable expenditures are infrequent and account for small shares of total household expenditure. Infrequent, marginal expenditures might provide unreliable estimates of how (total) income gains and losses are shared.¹¹ Second, available evidence suggests consumption magnitudes (for individual items) are themselves often imprecisely estimated. In Mexico in 2016, for example, the coverage rate – defined as the cumulative consumption expenditure magnitude for an item covered in a household survey divided by cumulative consumption expenditure (for the same item) from national accounts – of alcohol and tobacco expenditures was less than 10 percent while the coverage rate of education expenditures was more than 160 percent (Zwijnenburg and others 2021).

The third disadvantage helps distinguish our approach from empirical approaches to intrahousehold decision-making that make use of exclusive or assignable expenditures. In order to determine how individuals would allocate income gains to maximize their own individual utility, it is usually assumed that preferences for single individuals without dependents or spouses also describe the preference of similar individuals in households with children or elderly dependents (or both); with one, two, three, or more caretakers who may also be income earners; and with members that have both a fiduciary responsibility and intrinsic motivation to care for and

5. Individual-level data helpful for more precise estimates of the incidence of fiscal policies on individuals is time-use data, or records summarizing the differential time-use patterns of males and females, children, and the elderly, and (potentially) household members who are either temporarily or permanently absent. Beyond that, detailed individual-level information on assets, employment, income, and consumption expenditure could be used to provide individual-level impact estimates of fiscal policies.

6. Past expenditures on single items may also be unreliable for predicting future intrahousehold allocation or decision-making processes.

provide for others (for example). As Bargain (2022) notes, applying this assumption in developing countries is problematic because “it is not common to find people living alone.”¹²

The approach taken in this paper instead exploits household demographic composition and economic information to guide estimates of which household activities benefit the most (on net) from fiscal policies and which individual household members fill those roles. It also falls squarely within the “accounting” approach to fiscal incidence analysis which attempts to map fiscal facts (e.g., the taxes collected and the expenditures made) to the behaviors observed in a cross-section of individuals. This analytical choice also limits us to a description of how total economic activity at the household level is supported or hindered by fiscal policies and for whom within the household that such support or hindrance will matter most. These limitations are sufficiently different from those relevant for the intrahousehold bargaining literature, and we do not propose our method as a substitute for those approaches.

The methodology we propose is generalizable to most fiscal, socioeconomic, and cultural contexts for the following reasons. First, we include a broader set of activities and points of interaction with the fiscal system, such that individuals who spend most of their productive hours working without remuneration can nonetheless be made more productive by, or face burdens from, fiscal policy. Second, we propose procedures for a gendered fiscal incidence analysis where only the household-level data required for standard CEQ assessments is available and suggest modifications to those procedures when richer individual-level data is available.

3 Gender Inequality, Social Reproduction, and Fiscal Policy

Gender is a normative social construct defining and differentiating the roles, rights, entitlements, responsibilities, and social obligations of women and men. Gender is also a set of expectations providing positive and negative incentives for broad-based compliance with those roles, responsibilities, and obligations. Gender relations are embedded in markets and institutions and are integral to how an economy functions. Economic institutions, policies, and the implicit rules and traditions that govern aspects of economic life can exacerbate, ameliorate, or simply modify existing gender inequalities.¹³ The nature, degree, and social, cultural, and institutional location of these gender differences vary from one society to the next; historically they have favored men (Beneria, Berik, and Floro 2016).

10. Potential solutions to this problem provide estimation strategies to generate individual budget shares from household expenditure data alone without data on single individuals (Dunbar and others 2013). However, these solutions must also restrict preferences across household compositions or across people in order to identify individual allocation shares. Either solution flattens estimated fiscal policy impacts precisely where we believe these impacts would exhibit variability that enhances or discourages gender equity.

11. See chapters in Berik and Kongar 2021, including Berik and Kongar, Beneria and Sen, Seguino, and Braunstein. See also Duflo (2012), and World Bank (2012).

Fiscal policy can reduce some gender inequalities directly. For example, conditional cash transfers providing household-level transfers for every child enrolled in school can create positive incentives for girls to remain in school longer and for households to reduce the time spent by school-age girls in care for younger dependents.¹⁴ Here too a direct reduction in gender inequality in one area (time spent caring for younger dependents) may lead indirectly to a reduction in gender inequalities in another area (a reduction in the wage gap for externally supplied labor).

Fiscal policy can also directly reduce or exacerbate gender differences in paid employment. Around the world, women's labor force participation rates are lower than men's (ILO 2023). Women enter and exit the labor force more frequently than do men, which means their participation is more discontinuous than men, and they are more likely to be in part-time and seasonal jobs (ILO 2023). Women on average earn less than men, even after controlling for standard human capital variables (age, education, job experience), though the gap has narrowed in many countries over the last decade (Chamberlain, Zhao, and Stansell 2019). Women tend to dominate in informal employment, especially in low-income settings. Revenue policy can promote female employment by eliminating higher marginal rates on secondary earners in married couples; public expenditures can support unemployed women through unemployment insurance or informally employed women through social protection benefits. Here too, direct impacts today can lead to indirect impacts tomorrow. For example, women's participation in the paid labor force can help rebalance expectations and social norms regarding women's and men's participation in social reproduction activities. An increase in labor force participation is good for the macroeconomy, and any policy encouraging labor force participation can potentially reduce gender employment gaps.¹⁵

Fiscal policy can also support or undermine social reproduction. As noted earlier, social reproduction is the production and maintenance of human capabilities. It involves both daily household maintenance using women's and men's unpaid labor time and the commodities that men and women purchase. Social reproduction also includes unpaid activities such as fuel and water collection; cooking and cleaning and caring for children, the elderly, and other dependents; and providing cultural, social, athletic, recreational, and educational instruction that encourages the thriving and increased capability of dependents in many walks of life.

In the short run, social reproduction activities may positively impact labor productivity when workers are nourished, cared for, and replenished at home (Braunstein and others 2020). Social reproduction may also lead to direct increases in purchasing power. For example, consider the exchange of clothing between a mother with an older child and a mother with a younger child: even if no money changes hands, the time, effort, and social

5. In some countries, conditional cash transfers have also negatively affected maternal employment. For instance, Molyneux and Thomson (2011) noted that in a survey of women who received transfers from the Oportunidades program (Mexico), between one-third and half reported that the demands of the program conflicted with their income-earning activities, which echoed findings from other cash transfer programs in Latin America.

6. However, the gender wage gaps may be unchanged.

transactions that are wrapped up in the exchange of clothing have an opportunity cost for individuals who have arranged the exchange.¹⁶

Social reproduction includes investments (and associated returns) in human capabilities through education, health care, and the building of social capital. These investments raise future productive capacity while creating a virtuous cycle within social reproduction itself – the more educated, healthy, and capable the younger generations are, and the more positive social connections they benefit from, the generation to follow them will benefit as well. Social reproduction is therefore not only a necessary input into economic production but is also a public good, encouraging positive externalities and limiting negative externalities of current and future economic systems. In short, the work of social reproduction is vital for the paid economy to function and an important criterion for fiscal policy to consider.

To the extent that women participate more and men less in unpaid social reproduction activities – which is the case in most countries – fiscal policy supporting social reproduction activities may also be enhancing the productivity of women across all of their activities. For example, public expenditure on roads, transport, and energy services directly supports social reproduction by reducing the amount of time that women spend in unpaid work.

Cash transfers and other fiscal expenditures that enhance the bargaining power of women caretakers can affect the amount and type of expenditures, savings, and other investments made by those women. However, in general, empirical studies are inconclusive regarding gender differentials in expenditures and investments. Some studies find that women tend to spend a higher proportion of income under their control on goods that enhance the well-being and capabilities of children, such as food, education, and health care (Thomas 1993; Haddad and others 1997; Quisumbing and Maluccio 2000; Armand and others 2016). However, Benhassine and others (2015) found that, in Morocco, the gender of the unconditional cash transfer recipient has no differential impact; while Akresh, De Walque, and Kazianga (2016) found better outcomes among children (relative to regional macroeconomic conditions) when cash transfers were given to fathers rather than to mothers in Burkina Faso.

Public benefits directly supporting women may also indirectly support the unpaid social reproduction activities that women are often responsible for. However, indirect taxes (such as a value-added tax or an excise tax) on expenditures that women are typically responsible for may both directly reduce the bargaining power of women and indirectly discourage the social reproduction activities in which women are typically involved.

Finally, in many developing countries, women are denied the right to own and inherit a property or other productive assets. Men hold the majority of land and housing titles, and social norms may dictate that businesses are owned by male family members, and women may supply labor to them. Nonetheless, in recent decades, women have made strides in some areas of property ownership, most notably in entrepreneurship and business development. Taxes and transfers can promote or discourage female entrepreneurship and land ownership.

5. Neither the inputs to this transaction, the transaction itself, nor the results of the transaction are visible in a typical household survey.

As noted in these examples, fiscal policy directly and indirectly impacts gender inequality and social reproduction. It directly supports social reproduction through provision of goods and services, creation of incentives for behaviors, and setting of prices for goods and services that support social reproduction. However, standard microdata-based fiscal incidence analysis (FIA) distributes cumulative burden and benefit totals uniformly to all household members regardless of the roles that members play in an economic activity (including social reproduction) of the household. In what follows, we propose a series of steps to bring a gendered perspective within the CEQ assessment fiscal incidence analysis framework in a transparent manner and without additional data requirements.

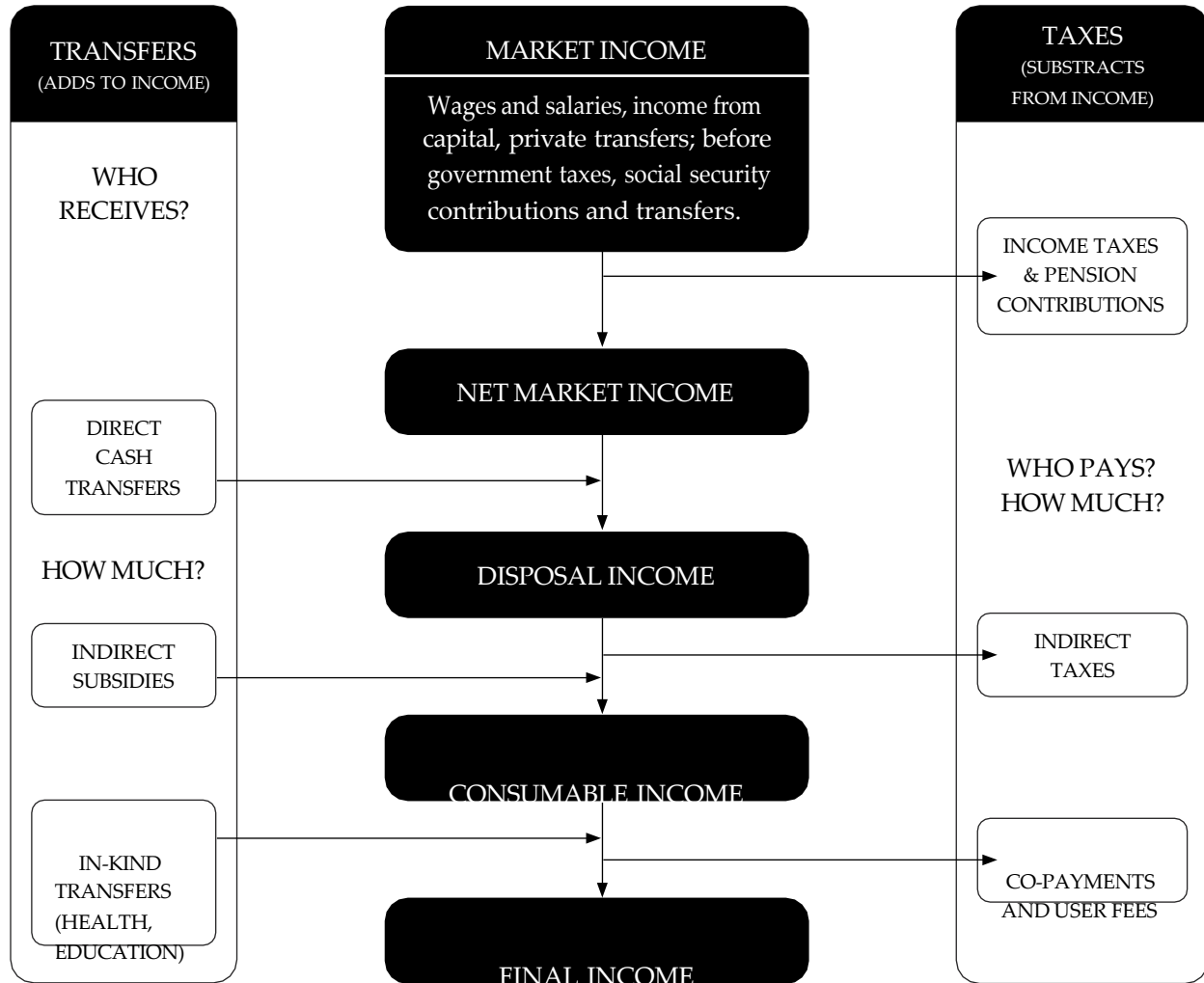
4 Methodology

We begin this section with a brief summary of the CEQ assessment method and how the CEQ “income concepts” framework lends itself to a gender-differentiated fiscal incidence analysis. Following this introduction, we discuss in which dimensions of gender inequality we might expect to observe or deduce evidence of fiscal policy impact. We then propose a methodology for examining the impact of fiscal policy on gender by expanding the CEQ assessment method using standard datasets and techniques.

CEQ Assessments

A CEQ assessment accounts for and quantifies the nature, character, and magnitude of benefits received as well as the burdens experienced by individuals and households from the execution of a fiscal policy. A CEQ assessment generates counterfactual income distributions and computes poverty and inequality indices based on the distribution of each of these income concepts. These pre-fiscal and post-fiscal incomes contain more or fewer of the benefits created from public expenditure or tax contributions to public revenues. The analysis starts with pre-fiscal income (referred to as “market income” or “market income + pensions”) which is earned or unearned from wages and salaries or profits from enterprises, self-employment activities, or as returns on capital and other private income sources (Figure 1). Net market income is what would be left behind after all relevant income taxes are paid and households and the necessary deductions and withholdings have been taken out. If the household is a recipient of any direct cash transfer from the government, this would be added to net market income to arrive at disposable income. At this stage, depending on the consumption basket of the household, various indirect taxes (VAT and excise) as well as indirect subsidies (energy subsidies) would be paid or accrued. Adding or subtracting these as appropriate would yield consumable income or post-fiscal income. Finally, accounting for any in-kind benefits received from the government on things like education and health and discounting associated copayments and user fees would yield final income.

Figure 1. Overview of the Commitment to Equity Methodology



Source: Lustig (2018).

How do gender norms and roles play out in this framework? Broadly three types of activities create exposure to fiscal policies: as individuals earn income, as individuals become consumers, and as individuals provide unpaid labor to the household or become investors in household care (Figure 2).

Figure 2. Economic and Social Activities and Fiscal Policy

HOW/WHERE DO INDIVIDUALS EXPERIENCE FISCAL POLICIES? WHICH POLICIES?

As suppliers of external labor Income taxes including tax credits and taxable income rules MSME finance Maternal/parental leave policies that address wage gaps	As consumers Direct transfers - can target recipient/eligibility; can target control of benefit Indirect taxes and subsidies
As investors in human capital Labor-market activation programs Provision of housing and other assets	As participants in social reproduction In-kind transfers: education; health; water; sanitation, and hygiene (WASH) services; childcare elderly care Infrastructure Communications/internet and media

First, as income earners, individuals supply labor (externally, or outside the household) both formally and informally in market-based arrangements. Most often, fiscal policies surrounding the provision of labor or wages will have an impact on pre-fiscal income (also known as market income) or net market income, which is pre-fiscal income minus any direct taxes owed on wages or other earned or unearned income. For example, the personal income tax statutes and rate schedules may privilege the “primary” income earner and penalize the “secondary” income earner; secondary income earners are more often women than men. Policies subsidizing paid parental leave may ameliorate or exacerbate inequalities with respect to at-home care for young dependents. Subsidized micro, small, and medium-sized enterprise (MSME) finance – which in principle should lead to higher market or net market incomes – may not benefit women and men equally when women are unable to be deed holders of productive assets.

Individuals must also demand goods and services and make decisions regarding how much to consume or save; these activities also create exposure to fiscal policies. For example, direct transfer programs like conditional or unconditional cash transfer programs effectively supplement budgets for essential goods and services like food, clothing, shelter, and energy; direct transfers have an impact on disposable income. Indirect taxes on consumption activities – VAT, excise taxes, customs duties, and sales taxes – effectively reduce consumption of goods and services (for a given budget) while indirect subsidies on consumption activities will effectively increase consumption (for a given budget).

Finally, the third type of exposure to fiscal policy occurs when individuals within a household provide unpaid labor and invest in the care of all household members and the communities in which they exist. These activities belong to social reproduction as defined above.¹⁷ The public provision of education, health care, WASH, and housing services directly provide social reproduction components at low cost. Providing transport and communication infrastructure enables faster access to essential social services for those involved in social reproduction (and therefore lower opportunity cost).

Which Gender-Based Impacts Are Observed or Deducible?

The impact of an individual fiscal policy, or fiscal policy in general, on gender equality will be multifaceted. To quantify fiscal policy impact, we would like to know (among other things) whether the policy (1) supports social reproduction, (2) creates incentives for more or higher-quality female labor force participation, (3) creates incentives for more or higher-quality male participation in social reproduction, (4) increases the individual purchasing power of women, (5) increases individual agency¹⁸ for women, and (6) increases the per-capita cumulative purchasing power of the household.

The approach developed in this paper does not permit estimation of the impact of fiscal policy on gender inequality or women's agency along all these dimensions. This is in part due to data limitations. To understand whether and how agency is affected by fiscal policy, for example, would require a wide perspective on the tradeoffs that households face, how options are weighted and judged by all household members, how compromises are made, and which characteristics inform bargaining positions.¹⁹ Understanding the potential for agency also calls for an investigation into prevailing social norms, legal rules, and cultural expectations that may encourage (or limit) agency outside the household.²⁰

Irrespective of data limitations, our inability to categorize a fiscal policy as “good” or “bad” for gender equality is also partly due to conflicting impacts along these different dimensions. For example, giving benefits to mothers who stay at home to look after their children reduces gender inequality in total incomes while exacerbating gender inequality in labor force participation. In the same vein, generous maternity leave has been shown to discourage women returning to the labor market while voucher systems for childcare have been shown to discourage the use of market-provided childcare services in some contexts (Spiess and Wrohlich 2008).

5. These activities should be distinguished from other types of unpaid labor, for example, in subsistence agriculture or labor supplied by household members to a family business.

6. Agency is the ability to define goals and act on them; see Donald and others (2020).

7. See Bakhtiar and others (2022) for an experimental examination of the processes determining intrahousehold allocations and the impact of those processes on women's agency.

8. When such data is available, or when FIA can be complemented with a discussion of social norms and institutions that limit policy-based progress on gender inequality, a gendered FIA will be much richer and more nuanced. Such information is available from, for example, the [Social Institutions and Gender Index](#); [Afrobarometer](#); the [World Values Survey](#); and [Women, Business and the Law](#). These sources, among others, can be used to complement FIA and triangulate policy-relevant advice.

Consider also introducing work requirements into welfare programs. If the labor force participation requirement leads to less or lower quality time of single female parent households in social reproduction activities, that could lead to worse outcomes among dependents (Kalil and others 2022). Higher labor force participation may lead to total lifetime income reductions for the same women (assuming that their incomes later in life are at least partially supported by intrafamily transfers from working-age members to elderly dependents). On the other side of the same coin, conditional cash transfer programs may require additional time spent in nonremunerated social reproduction activities by caregivers – who are most often women – even while generating better human capital outcomes among dependents.

Lastly, the “same” policy from a fiscal standpoint may have different gender inequality impacts depending on the mode of delivery. Bjorvatn and others (2022) demonstrate in an experimental setting in Uganda that a childcare subsidy delivered as an in-kind service was at least as effective as an equivalent cash grant in increasing a mother’s total income and labor productivity; that the childcare subsidy also led to increased labor income for fathers while the equivalent cash grant had no impact; and that the childcare subsidy led to higher enrollments while the equivalent cash grant did not. The two policies are equivalent from a fiscal expenditure point of view, and yet the positive impact of the childcare subsidy on women, children, and men is greater than that of the equivalent cash grant.

We can begin to understand how fiscal policy affects gender inequality, social reproduction, and care by analyzing household demographics and social organization. The sex and age composition of households plays a significant role in determining care needs as well as which taxes and transfers supporting or undermining social reproduction are relevant: children enrolled in public school receive in-kind education services; women of child-bearing age have greater health care needs; households with older, non-working older male members may qualify for old-age support.

The employment status of household members plays a role too. For instance, the employment status of a married couple can influence effective marginal tax rates on “secondary” income. Who takes part – and how frequently – in social reproduction can influence the impact that education service provision has: preschool children require more care while school age children require less, but school-age girls may be called on to provide some or all the care of younger dependents. And if women (rather than men) are more responsible for social reproduction, they may not look for paid employment.

Household Typologies: Bringing Care and Social Reproduction into the Picture

The size and organization of the household are observable in household budget surveys, income and expenditure surveys, living standards measurement surveys, and other survey instruments used in standard CEQ assessments. We propose, therefore, that the CEQ assessment toolkit be adapted to estimate fiscal policy impacts on households according to their demographic (sex and age) and employment-disaggregated characteristics.

We present below a list of generic household types that can be tailored to specific country contexts. At a minimum, these types should specify the sex and age ranges of household members, the relationships among the household members (for example, married or in consensual union, with and without dependents), and the employment or earning status of the principal adults in the household. Together, that information is important in establishing what the care and social reproduction needs of various households may be.

Constructing the household typology and undertaking the fiscal incidence analysis should follow a few steps. The first step is to compile information from censuses, household surveys, labor force surveys, and other sources, such as time use if available,²¹ to get a big-picture understanding of the nature of gender inequalities in employment and social reproduction. The second step is to use this data to construct economic and demographic categories. A generic set of groupings that can be adopted in most countries is as follows:

Economic categories

1. Single male/female member households, who are employed or not employed. In many countries, these are older retired adults.
2. Households with married couples or consensual unions.²² This category should be divided into at least four subcategories: where both principal adults are employed, where only the principal male is employed, where only the principal female is employed, and where no adult is employed.
3. Households with working-age adults and dependents, disaggregated by which members are employed. Examples of this type of household may be an adult child living with an elderly parent or younger-generation children living with older-generation children (from the same parents).

Demographic categories

Using the economic categories above, households should then be further classified by their care needs:²³

1. without dependents and with dependents
2. total dependents
3. dependents disaggregated by age: for example, children 0 to 3 years old, children ages 4 to 12, adults over 75, and/or other age compositions relevant in a particular country context.

12. Additional contextual information is available in sociological, legal, and anthropological studies and in databases summarizing the institutional and legal structures that inform gender-based equity. See for example the [Social Institutions and Gender Index](#), [Afrobarometer](#), the [World Values Survey](#), and the [Women, Business and the Law](#) databases.

13. In those countries where same sex marriages or consensual unions are recognized and such data exist, the types could also be male/male and female/female. Consensual unions also include polygamous structures.

14. In the first stage of work, country pilots classified households into separate economic and care categories. However, for fiscal incidence analysis, it is important to use a single combined classification.

Analyzing these categories is important for understanding country-level patterns. For the fiscal incidence analysis, a single household classification system should be created by combining the economic and care categories.²⁴ That is because tax and transfer policies condition *simultaneously* all of the economic and care activities that households and household members pursue. For example, personal income tax policy will determine how many household members will spend time in paid employment (as well as how long each member will spend in paid employment), how many dependents from each age bracket can be supported from wage earnings, and how much time each household member will spend on social reproduction activities.

Table 1 illustrates the advantages and disadvantages of each of these categories from a fiscal incidence perspective in the context of Armenia.²⁵ Beginning with Type 2 (T2) households, the needs and opportunities of individual household members shape household organization and the incentives informing choices and behaviors at home, in the labor market, and in markets for goods and services. T2 categorizes households according to the contributions (to household income) of individual male and female members, while T3 assumes that not all household earners have equal contributions or bargaining power within households. T4 implicitly identifies the presence of children and the elderly to capture the household's care needs and domestic responsibilities, and their interaction with incomes and labor decisions. While initially the demographic and employment categories can be studied separately, the fiscal incidence analysis would ideally be performed on the integrated employment/care category (see T4 in the last column of Table 1).

Table 1. Household Typology, Armenia

	(T1) Demographic composition	(T2) Income contributions	(T3) Gender-shares of HH earnings	(T4) Mixed typology
Types	Female majority or male majority (or equal numbers) of household members	Earners are a female majority, Earners are a male majority, equal number of male and female earners	Female earnings >60% of total earnings, male earnings >60% of total earnings, No earners	Earners are female majority + dependent children + dependent elderly, Earners are male majority + dependent children + dependent elderly
Usefulness/ relevance for gender analysis	Exploits variation in consumption patterns and gender-specific demands or needs	Introduces women's economic opportunities and household roles	Exploits variation in bargaining power	Captures care needs and domestic responsibilities, and interaction with incomes and labor decisions

Source: Based on Fuchs and Gonzalez (2022).

5. In some countries, like Jordan, the cell sizes for a combined economic/demographic classification may be too small for a fiscal incidence analysis. In this case, the analyst will need to make choices about which classifications make most sense in any particular country context (see Rodriguez, Wai-Poi, and Woodham 2022).

6. A household type defined by household headship is included in Fuchs and Gonzalez (2022). However, Grown and Komatsu (2010) discuss the lack of relevant information in standard household survey techniques that ask household members to identify the head of household.

以上内容仅为本文档的试下载部分，为可阅读页数的一半内容。如要下载或阅读全文，请访问：<https://d.book118.com/028046040040006070>