



Fighting unitedly against poverty, hunger and injustice in South Asia

SAAPE Bulletin

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Taxation Policy and Gender Inequality in South Asia

South Asia has closed the gender gap of only 62.3 per cent according to the Global Gender Gap Index 2021 of the World Economic Forum. At this pace, it takes 195.4 years to close the gender gap in South Asia. In terms of the Global Gender Gap Index 2021, South Asia lags far behind all other regions except Middle East and North Africa. The region has regressed the most among other regions with a gender gap of 3.4 percentage points wider than one year ago. This situation has been further exacerbated by the COVID-19 pandemic that has triggered massive economic and social crises. This is observed in the least closure of the gender gap under the sub-index 'economic participation and opportunity' which stands at only 33.8 per cent.

The global pandemic has disproportionately burdened women in all types of economies since women are mostly engaged in precarious jobs. Needless to say, in absence of social protection and proper policy measures, the impacts on women-led small businesses and informal sector jobs held by women might stretch for years leading to increased gender inequalities. This highlights the need to prioritise fiscal resources and reform tax policies to address the immediate effects of the pandemic and fix the disproportionate impacts on women's social and economic activities.

In this context, South Asia Alliance for Poverty Eradication (SAAPE) and South Asia Tax and Fiscal Justice Alliance (SATAFJA) hosted a side event session on Taxation policy and gender inequality in South Asia on 8 December 2021 at the Tax Justice and Gender Equality Conference 2021 organised by the Global Alliance for Tax Justice (GATJ) and Tax and Gender Working Group from 6 to 8 December 2021. The session discussed, deliberated and debated upon the issues of the pandemic and the increased gender inequality, progressive tax reforms, transparent and democratic management of public expenditure

allocation, inclusion of specific gender targets in budgets, and gender-sensitive fiscal policies. The session was moderated by Sushovan Dhar, a political activist and trade unionist based in Kolkata, India.

The first session "Country situation relating to gender inequality" discussed the current situation of women's health, education, and challenges in the workforce and the government tax system especially focusing on women's employment and care work in Bangladesh, India, Nepal, Sri Lanka and Afghanistan. Sumi Shahnaz, JaibuNisha Reyaz, Reshma Shakya, Chamila Thusari and Raz Mohammad Dalili shared the country situation of Bangladesh, India, Nepal, Sri Lanka and Afghanistan respectively.

Sumi Shahnaz, Bangladesh Nari Progati Sangh (BNPS), stated that women entrepreneurs mostly belonging to the category of small entrepreneurs are in a disadvantageous position due to the tax and fiscal planning by the Bangladesh government that are not gender-sensitive. She shared, for instance, that Taxpayer's Identification Number (TIN) is required for getting a bank loan amounting Tk 50,000 or more and the loan amount is not provided in form of cash. She stated that this adversely impacts women entrepreneurship because most women entrepreneurs are non-institutional and prefer cash. The requirement to

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have a TIN certificate for getting a loan is creating hassle since women have to stay in the queue and get TIN certificate issued from the National Board of Revenue situated in Dhaka. Likewise, JaibuNisha Reyaz, Manitham Trust and National Council Member cum State Convenor of the Tamil Nadu unit of Bharatiya Muslim Mahila Andolan (BMMA), cited examples of various faulty fiscal and tax policies by the Indian government that have disproportionately affected women. For instance, rising fuel prices and high taxation on fuel in India have caused village women to search for firewood for cooking which can have an adverse impact on their health. Similarly, she shared that around five lakh companies got shut down after demonetisation and the proportion of jobs lost by women was more than that by men. She further stated that lockdown, in response to the COVID-19 pandemic, with prior notice of only four hours, caused immense loss of livelihood of families.

Reshma Shakya, an active campaigner and organiser of regional campaigns including SATaFJA, stressed that although there have been cases of some positive discrimination regarding tax justice in favour of women in Nepal, there is a need to change the economic, political, social and cultural status of women and also recognise the 'care economy' to truly increase women's access to rights and reduce the gender gap. Meanwhile, Chamila Thusari, a leading activist from Katunayake Free Trade Zone and Dabindu Collective, shared that although the garment sector employs around three hundred thousand women workers in Sri Lanka (out of five hundred thousand workers employed by the sector), taxation has not brought any relief to the workers in the garment sector. She stated that Sri Lanka received 'General System of Preference (GSP) plus' given by Europe for the second time; however, workers have not benefited from it but instead, their social securities are being cut. Finally, the first session ended with Raz Mohammad Dalili, a human rights activist and core committee member of SAAPE, stating the grim situation of Afghanistan. He shared that women in Afghanistan have been kept away from school and jobs with the return of the Taliban regime.

The second session "Intervention on taxation policy and gender inequality in South Asia" discussed the issues of accessibility of tax

allowances or exemptions to men and women in South Asia, any discriminatory tax policies or systems against women in South Asia, the need for tax justice for women's rights, and the need for South Asia tax justice alliance advancing the cause of gender inequality through tax justice. Two important deliverances were presented by Malini Chakravarty, the Thematic Lead for research on tax equity at the Centre for Budget and Governance Accountability (CBGA) in India, and Amali Wedagedara, an activist from Sri Lanka. Malini Chakravarty noted a series of regressive taxation policies adopted by the Government of India prior to the pandemic and which continued even in the pandemic year. She cited an example of the cut in corporate tax rates in September 2019 that resulted in the loss of revenue from corporate tax. She further added that the government increased taxes on fuel (petrol and diesel) sharply during the pandemic. As a result, she noted that in the Financial Year 2020/2021 (during the first wave of the pandemic in India), while tax collected from corporation tax fell at the highest rate (49 per cent), that on fuel is the "universal intermediaries" used for public transport, transportation of goods, as well as agricultural production is increased by 31.4 per cent. In other words, in the pandemic year, the share of direct taxes went below the indirect taxes in the Centre's tax collection, implying that there has been a shift from "profits" to "people's pockets". Following Malini Chakravarty, Amali Wedagedara stated that in the face of eroding tax base in South Asian countries, regressive taxation has become the norm to patch up insufficient and dwindling government revenue and Sri Lanka is not an exception. She stressed that high-Value Added Tax (VAT) and indirect taxes imposed on intermediate goods have dominated the tax composition despite long-standing evidence that the tax system is fundamentally flawed, harmful to the economy and the people.

Sushovan Dhar, the moderator of the event, summarised the discussion and stressed that the agenda for a campaign on tax justice should be the reduction of the proportion of the indirect tax and the introduction of wealth and inheritance tax. The participants and speakers at the event called on the regional platforms like SAAPE and SATaFJA to continue raising the issues of tax and fiscal justice actively.

Millions of Asians Urgently Need Developed Countries to Stop Blocking Their Access to Vaccines

Across Asia, a surge in coronavirus cases is prompting fresh restrictions and pushing people further into poverty. While fast-moving vaccination drives are allowing developed economies to bounce back, most Asian countries have managed to vaccinate less than 10 percent of their populations. As the WTO TRIPS Council meets for talks today, the Peoples Vaccine Alliance-Asia is calling upon leaders of G7 countries to stop blocking the proposal to waive intellectual property rights for vaccines, diagnostic, therapeutic and other medical supplies and equipment necessary to fight the pandemic.

Thirty-six year old Syde is among millions of Asians, struggling to feed their families amidst lockdowns, job cuts and shrinking economies. Syde worked as a site engineer for a construction company in the Philippines but following the outbreak of COVID-19, a lockdown was imposed and her company was forced to close operations.

Syde worked from home for two weeks and received a salary for the first month but when the lockdown was extended she was only given a food allowance. In February 2021, Syde lost her husband and her income was barely enough to feed her two children. Syde and a few women from her neighborhood began to stitch facemasks to feed their families but she worries about contracting the virus. "For now, we're getting by but I don't know how long we can survive like this. If one of us gets sick, I don't know what we'll do," she said.

Millions like Syde are bracing themselves as a sharp rise in coronavirus cases is prompting restrictions, factory closures and lockdowns. In May, South Asian countries such as India, Nepal and Pakistan saw a catastrophic surge in cases, while in Southeast Asia, Malaysia saw per capita cases soar past India and total cases in Thailand, Vietnam, Cambodia, Laos and East Timor have more than doubled in the past month.

Governments in these countries are attempting to scale up vaccination programmes, but lack of supplies means Asian countries are far from reaching their targets. In total, less than 7 percent Asians have received at least one dose of the vaccine. Countries such as Pakistan where less than 3 percent and Vietnam where not even 2 percent have received a jab, lag far behind the G-7 countries such the United States and United Kingdom where over 50 percent of adults have been vaccinated.

New calculations from the People's Vaccine Alliance, found that last month people in developed countries were 77 times more likely to be offered a vaccine than those living in the world's poorest countries. In May, G-7 countries were vaccinating people at a rate of 4.6 million people a day, meaning, if this rate continues, everyone living in G7 nations should be fully vaccinated by 8 January 2022. At the current rate – vaccinating 63,000 people a day – it would take low income countries 57 years to reach the same level of protection.

Some G-7 countries claim to have done their bit by pledging doses or funding to the COVAX initiative, set up to help developing countries access COVID vaccines. But COVAX is failing massively and has delivered less than a third of the doses it promised to by the end of May. Asians can no longer wait for, or rely on the goodwill of countries promising to donate their excess vaccines.

As the WTO TRIPS Council meets for talks today, the Peoples Vaccine Alliance-Asia is calling upon leaders of G7 countries to stop protecting interests of pharmaceutical companies in their countries and support the proposal at the WTO to waive intellectual property rights for vaccines, diagnostic, therapeutic and medical supplies and equipment. Millions of men, women and children in some of the world's most populous countries are depending on their access to vaccines for survival, while a handful of countries continue to block proposals which would allow mass manufacturing of vaccines.

The Peoples Vaccine Alliance Asia, which includes ActionAid, Oxfam, GCAP-Asia, SAAPE, APCASO, APMDD, APN and Africa-Japan Forum among others, is part of a growing movement of health and humanitarian organizations, world leaders, health experts, faith leaders and economists calling for policies that allow rapid production of vaccines at scale and their availability for all people, in all countries free of charge.

It is essential that leaders of the G-7 countries back the TRIPS waiver at the WTO to ensure mass manufacturing of the coronavirus vaccine across the world. Developed countries and their economies depend on Asian factories, but their leaders are actively preventing measures that can save the lives of millions of Asians and pushing them further into poverty. The Peoples Vaccine Alliance calls upon the leaders of these countries to prioritize the health and survival of millions of Asians over the profits of a handful of corporations.

Global Protest to Fight Inequality in South Asia

Every year in the month of January, global elites gather for the World Economic Forum in Davos, Switzerland for their annual meeting which they have titled “Working Together, Restoring Trust”. They sit in Davos and discuss the future of all countries and economies with no justice, as those who created crisis. According to OXFAM report 2022, during Covid-19, billionaire wealth already increased by August 2021 more than it has in the past 15 years from \$8 trillion to \$13.5 trillion while over 5 million people have died. In Davos they do not discuss real solutions like taxing the rich and well known that the solutions cannot come from them.

Similarly, the Covid-19 pandemic has exacerbated the already high levels of inequality that existed before the pandemic, while billionaire wealth and greed have increased persistently. The neoliberal economic system continues to fail the majority of people across the world. Communities and societies at the forefront of inequality from the grassroots have been organising in response to these unacceptable levels of inequality and will continue to do so until this gross imbalance in power and resources ends. It is only through people power and the coming together of people affected and impacted by this gross imbalance of power and wealth that can turn this crisis around.

In this context, each year in January, members of Fight Inequality Alliance (FIA) come together in one massive

movement during the global protest to fight inequality all across the world. This year also, people on the frontlines of inequality mobilised and demonstrated people's power physically on the streets as well as virtually with the loud voice-“tax the rich”.

As part of the fight inequality global campaign, SAAPE members coordinated various inequality actions during the global week of action 2022 in South Asian countries.

India

A series of programmes were held in Bhangor, district, West Bengal on January 22, 2022. The programmes were jointly organised by Prantojon and Paschimanga Khudra Reen Mukti Samiti.

The large outdoor assembly with cultural programmes, initially planned, was cancelled at the last moment due to the third wave of COVID-19 pandemic and restriction by the government. Instead members of the above organisations carried out a series of smaller activities in the area to campaign how tax injustice and micro credit contribute to the growing inequality. The campaign also highlighted the issues of education and social protection and its role in reducing socio-economic inequalities.

On 22nd morning, a rally involving more than a hundred



people was held in Chaltaberia village near the Chaltaberia High Madrasah which culminated in a meeting at the Chaltaberia Eidgah maidan. In addition to the above issues, the participants and speakers highlighted the issue of loss of livelihoods resulting in people's income and demanded the government to take concrete measures.

A meeting was held in Satulia village in the afternoon with around a hundred women who discussed about the issue of high indebtedness and the debt trap resulting from micro finance activities.

Members of Prantojon and Paschimbanga Khudra Reen Mukti Samiti distributed 5000 pamphlets in the Bhangor market area in the day to highlight the above issue. Overall, the set of activities involved more than 250 people who pledged to fight the mechanisms that contribute to the growing inequality.

Similarly, fight inequality campaign programme was held at Dindigul in Tamilnadu on 20 January 2022 with the participation of the leaders from Bharatiya Muslim Mahila Andolan (BMMA), Sadhanai Pura Women Federation (SPWF) and leaders from various districts. Women leaders shared inequality issues of unorganised labour workers during COVID-19 pandemic and its impact on employment, livelihood and how women are suffering from burden of care work, domestic violence etc. The discussion continued with the effect of direct and indirect taxation to the poor and marginalised community.

During the meeting, the participants delivered demands to ensure safety of women and girls, raising the voice with the statement Tax the rich, lets reduce the indirect taxes; reduce the unemployment ratio and ensure employment opportunity for each household; ensure free and equal access of vaccination to all.

The mass demonstration by women leaders from Tamil Nadu with demand placards. More than 500 people proceeded with the demands continuously in Panchayat meeting on 26th January 2022.

Nepal

Fight Inequality Alliance, People's Vaccine Alliance (PVA) and SAAPE jointly organised a virtual discussion on the rising inequalities post the COVID pandemic on 21 January 2022. Human Rights Alliance (HRA) coordinated the programme in the presence of 74 participants. The objectives of the event were to share the status of inequality in Nepal post the COVID 19 pandemic and to discuss on the current status and develop recommendations for moving ahead.

There have always been inequalities in the world in

different forms. After the onset of the pandemic, in many aspects the existing inequalities have increased, and some new forms of inequalities have emerged. In the event of the Davos campaign, considering the restrictions placed due to the pandemic, this event has been virtually organised to discuss the status of inequality in Nepal.

The programme started with a presentation on the status of inequality and ongoing fight inequality movements/campaigns in Nepal. The presenters shared some statistics about inequalities based on various indicators in Nepal.

The COVID pandemic has huge impact on the economy of the country and increased various forms of disparities. With regards to vaccine accessibility, the vulnerable groups are the most affected. Similarly, in terms of loss of income and employment, informal workers are among the most seriously affected groups of people, particularly the low level daily workers who are moving around for work. They are not even able to access information on time. The workers are not even paid minimum wage in many cases and there is a difference in the pay rate by gender. Many social protection benefits are not yet accessible by such workers. The future of the youth in Nepal is worrisome and the pandemic has forced the youth for migration.

It is worrisome that 60% people are still not vaccinated in Nepal including women sex workers, women working as domestic workers, entertainment sector workers and group of women who doesn't have citizenship, but the others are now getting the third dose. If the new millionaires are taxed on only the amount they have earned during the pandemic, it will be enough to provide vaccine for the rest. Civil society organisations should pressure the big pharma companies and the governments that are protecting the selfish profit motives of such companies.

The local governments should separate budget to address inequalities. Our role is important to increase sensitization regarding this. To tax the rich, need to conduct further research and need to strengthen the civil society to do so.

Sri Lanka

SAAPE campaign member National Fisheries Solidarity Organisations (NAFSO) conducted street campaigns along with global inequality campaign from 21 to 22 January 2022. The three hours long protest started from Thelwatta Junction to Baldhi Junction Katuwapitiya with the participation of more than 150 including majority of women. Women chanted slogans



highlighting financial crisis, indebtedness, hunger, loans issues and fuel price hike also inflation while cut down of taxes to rich. NAFSO media unit launched live telecast the event through social media pages.

Second day around 65 people gathered at center of Negombo city and launched the campaign with displaying placards and hoisting black flags protesting against the inflation, hunger and soaring food prices, micro finance issues as well as landlessness in Negombo.

Bangladesh

As a part of the fight inequality movements, SAAPE Bangladesh team organised a human chain and discussion meeting in January 2022.

Human Chain

A human chain was organised at industrial area of Gajipur District by SAAPE Bangladesh on 22 January 2022. This human chain presided by Garment Sramik Trade Union, Indigenous, trade, adhibasi, farmers, teachers and journalists union leaders. About 200 people of different level and occupations joined in the human chain programme.

During the programme, the leaders expressed their thought on leaping growth in the number of millionaires and a high GDP growth, however tax collections remain a low in most of the South Asian countries. Complicity between political and economic elites has led to the undermining of democracy and the creation of economic ideology and systems that have pushed a blind faith in markets.

Similarly, the representatives raised the issues of minimum wage and its importance for poverty reduction and social justice in any country. The human chain demanded effective steps to reduce poverty gaps, wage gaps, discrimination against women. They also placed demand for mobilize domestic tax revenue



and end unfair tax incentives, exemptions to rich companies and individuals. Rich individuals and companies have to pay fair share. Invest in essential public services to revitalize public health, education, water & sanitation, build strong responsible states and ensure social protection for all.

Discussion Meeting

A discussion meeting was organised by SAAPE Bangladesh team on 21 January 2022 at community level at Gajipur district on titled "Tax the Rich and enact People's Recovery plans to Covid-19". The representatives from government departments, civil society members, workers and general people participated in the meeting. They shared about the situation of poor and most vulnerable marginalised people and how they suffered during the COVID-19

pandemic as well as its impact on national economy.

Most of the people lost their employment and returned to home place resulted the various economic and humane crisis. The violence against women, girls-child marriage and unwanted pregnancy were increased during the pandemic. At the same time, women empowerment is falling far behind.

During the pandemic, average income of people has decreased by 80% and most of the ultra-poor people were compelled to stay at home without any support. The representatives demanded that government need to address these issues and give special importance food supply plan and control market and supply chain. The leaflet on inequality has been distributed during the meeting.

Multi-stakeholder Dialogue on Minimum Wage of Tea Workers

SAAPE minimum wage campaign member organisation, National Alliance for Human Rights and Social Justice Nepal (HRA) has been working on a minimum wage issues of tea workers in Nepal since 2018. Every labor has a right to get minimum wages fixed by the government. In this context, HRA organised a multistakeholder dialogue on 07 December 2021, at Jhapa, Birtamod, Eastern, Nepal.

The dialogue was intended to draw attention to the implementation status of minimum wages of tea labour. 25 concerned stakeholders including trade unions, representatives from provincial and local government, CSOs leaders and journalists participated in the meeting.

The meeting was started with the paper presentation on the current status and issues of the tea labour, their livelihood, condition of wages, and way forward to address the issues including role of the government.

The tea labours are living in miserable livelihood conditions. The trade union movement is one of the tools to address their issues though it concludes only in their wages. The wages of the tea labour is not sufficient for their livelihood. The work is looking like a low level because of insufficient rather than minimum wages and the status of work. The basic wage of a worker is NPR 281 per day. They get an additional NPR 154 daily expensiveness allowance. They get only 26 days' allowance per month. They get only a month's salary of basic amount for festival allowance. The employer does not affiliate with the social security fund till the date. They have a compulsion to spend

time searching for new additional opportunities to fulfill the basic needs of the family.

Due to the economic crisis in tea farming, most of the tea workers/labourers, farmers are shifting their occupation to another area. This is an issue and concern of the tea labourers.

During the discussions, the representatives expressed their opinion regarding the local government responsibilities for the tea labourers. They shared that Suryodaya municipality had led to assuring the labour rights and currently the tea labour has been getting minimum wages determined by the municipality. Small farmers are getting well marketing to sell the tea leaf. However, most of the tea workers are not aware about the minimum wage determined by government and social security schemes as well. The role of local governments become more crucial for the information and awareness campaigns and to address the issue of the minimum wage.

The dialogue among multi-stakeholders helped to advocacy for implementing the wage-related municipal law or policy. The labour of the tea estates is facing multiple types of hazards like poor health conditions, lack of proper sanitation, child malnutrition, lack of education, and so on. Local development planning has not been addressing such issues and has not proper planning and budgeting to uplift the livelihood status of tea labour. The discussion has been able to draw attention to the issue of tea labour among stakeholders.

SAAPE Stands in Solidarity with the People of Afghanistan

SAAPE extends its solidarity to women, men and children of Afghanistan who are once again at the toxic crossroads of war and violence, political instability and an uncertain future.

The return of the Taliban in the Afghanistan government is a setback for the progressive forces in the world, particularly for South Asia. We condemn the forcible takeover of Afghanistan by the Taliban fighters. Their victory is not at all a sign of stability and peace but a perpetuation of the civil war. The establishment of another religious fanatic state in South Asia will promote religious sectarianism throughout the region and anti-peace measures will continue. We apprehend that a theocratic state that the Taliban intends to install will not only be disastrous for Afghanistan but also for its neighbours and beyond.

We as South Asians, committed to a long-term just peace in the region, understand and empathise with our Afghan friends who have suffered over two decades of war, political crisis, economic destitution, total collapse of basic services such as clean water, basic public health care, safe housing and uninterrupted education. We stand in solidarity with Afghan women and girls who have regularly suffered due to the denial of women's right to education and right to work. We understand that they have suffered over and above the structural and well-entrenched barriers of patriarchy. The devastating multi-prong impact of the COVID-19 pandemic adds to the misery and gravity of the situation now facing women, girls and the Afghan people.

We call upon the South Asian governments to take a public and principled position in favour of Afghan people and denounce any external interference in the name of peace and conflict resolution.

We demand that the UN and the international community take immediate and sincere efforts to resolve the political crisis which has brought tragic humanitarian devastation. Astan has become urgent.

We urge the governments of South Asia and the neighbouring countries of Afghanistan to ensure safe passage and provide asylum to the fleeing refugees especially vulnerable families.

We condemn the proxy war that has escalated around Afghanistan involving regional and global powers as it contributes to the exacerbation of humanitarian crisis and vulnerability.

We condemn imperialist or other foreign invasions and occupations that that has played a huge role in fomenting the current crisis. We denounce the widespread corruption and mis-governance or the lack of governance in Afghanistan that has created this kind of situation and perhaps, has legitimised the Taliban actions.

We are concerned about the South Asian regional inter-governmental mechanism, South Asian Association for Regional Cooperation (SAARC) being a mute spectator and not having any role to address this regional issue of major significance. We urge the governments of South Asia to review their positions and find avenues for revitalising the SAARC to ensure people's dignity and sovereignty in the region.

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