Women's Human Rights and Canadian Tax Policy

From CEDAW to the Beijing Platform and Beyond

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Les gouvernements canadiens ayant systématiquement coupé les impôts dans les années '90 alors que le Canada a occupé pendant plusieurs années le premier rang dans l'indice du développement humain aux Nations Unies et dans l'égalité des sexes, en 2001, il était descendu au 23e rang, encore plus bas dans l'indice genrée du Forum de l'économie mondiale. Ce texte accuse les coupes dans les impôts de discrimination envers les femmes sous quatre chefs: d'abord en justifiant les austérités budgétaires ; en privatisant les revenus inégalement entre les sexes; en bénéficiant hors de proportion le capital privé, les investisseurs et les hommes d'affaires souvent plutôt que des femmes; finalement en stéréotypant le rôle de l'homme comme gagne-pain au détriment de la femme aidante ou occupée dans les tâches peu payées. L'auteure analyse ces coupes budgétaires depuis 1995 et termine avec des recommandations qui seront implantées dans le CEDEF et dans la Plateforme d'action de Beijing. D'autres recommandations visent toutes les politiques de taxation et les programmes de dépenses qui respecteront l'égalité des femmes et corrigeront toute discrimination présente dans la taxation canadienne.

From CEDAW to Beijing: Tax Policies Affect Women's Human Rights

Gender-Equal Tax and Spending Laws Are Essential to Attaining Sex Equality

All countries need durable and adequate tax revenues to set up government programs that can develop and fund effective social, environmental, and economic programs designed to ensure that all within their borders live in good health, economic security, and wellbeing. As a minimum, stable and adequate revenues are essential to maintaining stable and adequate governments and programs—including sex equality machinery that monitors and addresses equality among the genders. Because revenue laws almost always reflect or even increase any economic disparities between groups of people, they are very prone to reproducing existing inequalities—including in relation to gendered economic inequalities. No matter how gender-neutral tax laws may appear to be, they do not produce gender-equal aftertax incomes.

In recent years, it has become very obvious that tax laws and related fiscal laws play a big role in intensifying the concentration of aftertax incomes and wealth in the hands of the most economically-powerful (and often politically-powerful) actors in any given country. Because little of this data on "top 1%" incomes has been presented with breakdowns between women and men, it is hard to see that in fact, a significant majority of those with the smallest incomes are women—it is men's shares of all incomes and especially of high incomes that are growing so quickly.

Overall, the top one percent national income share in Canada started out in 1920 at around 15 percent of all incomes, but, beginning in the late 1940s, that share began to fall to just ten percent as Canada's income tax laws began to take larger shares of income from the wealthiest, and relatively less from those with low and moderate incomes. In the late 1970s, when Canada's tax system was its most progressive, the top one percent share fell even further, to nearly seven percent. However, as tax rates began to be cut over time, reducing taxes on the wealthiest and increasing the rates paid by the poorest, the one percent share began the steady climb back up to 15 percent again (Alvaredo et al. 69, fig. 2.3.1).

Not surprisingly, those with the highest incomes have the greatest capacity to save their aftertax income and thus accumulate net wealth at a greater pace than those who end most years with new net debt or small savings. Those net annual savings in Canada have thus seen their private wealth more than double between 1970 and 2016, with private wealth now 550 percent more than net national income in 2016 (158-159, fig. 3.1.1).

Far from sharing equally in rising high incomes and net wealth, throughout the history of taxation in Canada women have received relatively small shares of incomes, and thus of net aftertax incomes. In 1985, men under 25 earned 45 percent more employment income than women of the same ages, an earnings gap that fell steadily until 2000. The gap then grew again up to 37 percent by 2015. And Canadian earnings gaps increase with age, not decrease: In 2015, average earnings (including pensions) of men over 65 were 177 percent larger than women's. And since 1985, the share of women in the lowest income group (lowest 50 percent) has increased from 38 percent to 44 percent, and in the highest (0.1 percent) has fallen from 14.5 percent to 1.5 percent. Clearly Canada is not using its fiscal space to reduce market income inequalities among individuals nor between women and men.

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CEDAW Prohibits Discrimination on the Basis of Gender in Tax and Other Fiscal Laws

The Convention on the Elimination of all Forms of Discrimination against Women (CEDAW*)* has established extremely clear minimum gender equality standards in its general and detailed provisions:

CEDAW Preamble*:* Discriminatory taxation violates "equality of rights," "is an obstacle to the participation of women, on equal terms with men," and "makes more difficult the full development of the potentialities of women." The many family-based tax laws are discriminatory because "the upbringing of children requires a sharing of responsibility between men and women and society as a whole," which, if not honoured, prevents women from equally developing their potential in all areas of life.

CEDAW: All aspects of fiscal discrimination on the basis of sex are specifically prohibited, as detailed in Articles 1, 2(d) and (f), 3, 4, and 5(a) and (b) (general articles), and Articles 7 (political and public life, policy formation), 11(1)(d), (e) (employment, remuneration, benefits, and social security), 11(2)(b), (c), (d) (public life, paid work, maternity leave, job protection rights, and childcare resources); 13(a), (b), (c) (economic and social benefits); and 15(1), (2) (women in unpaid or subsistence areas). In addition, the CEDAW also calls on governments to take "all appropriate action" to eliminate all forms of discrimination, including tax and fiscal discrimination.

CEDAW General Recommendations 6, 16, 17, 21, and 23: the CEDAW Committee has issued several general comments spelling out in detail how important it is for governments to take all appropriate action to secure women's financial independence and economic equality.

The Beijing Platform for Action Elaborates on Gender Equality in Fiscal Laws

In keeping with the CEDAW, which was signed and ratified by all but a few governments around the world, the 1995 Beijing *Declaration and Platform for Action* was adopted at the Fourth United National World Conference on Women to create expansive and detailed guidelines on the procedures and standards to be used in implementing CEDAW obligations (United Nations, *Report of the Fourth World Conference*). The core obligation imposed by the hundreds of detailed paragraphs in the *Platform* is to "mainstream" gender equality in all policy creation, review, and amendment processes. This entails the conduct of gender-based analysis (GBA) of all laws, practices, and policies on a continuing basis in order to identify their gender impact, and to eliminate all negative effects so detected.

Annual budgets are also subject to gender mainstreaming and GBA in relation to their entire scope and all contents. And gender mainstreaming, GBA, and gender budgeting processes are not complete or adequate unless they consider all "intersecting" or multifactorial characteristics that contribute to gender inequalities in various circumstances, such as race, Indigenous heritage, age, income, ability, rural vs urban locations, or educational levels of groups of women.

The Beijing *Platform for Action* contains numerous detailed references to the importance of gender mainstreaming and GBA in relation to tax and other fiscal policy. These include:

•Para. 58(a)-(d): fiscal and economic priorities regarding women and poverty;
•Paras. 150, 155, 165(f), (i), 179(f): women and economic relations, including the application of equality principles to fiscal instruments and the importance of gender budgeting;
•Para. 205(c): institutional machinery responsible for gender mainstreaming;
•Paras. 345-349: implementation of fiscal equality analysis.

Paragraph 58 of the *Platform for Action* makes the full scope of fiscal mainstreaming clear. It requires all governments and international organizations through which governments act to take all these steps on a continuing basis:

> Review and modify, with the full and equal participation of women, macroeconomic and social policies with a view to achieving the objectives of the Platform for Action;
>
> Analyze, from a gender perspective, policies and programs—including those related to macroeconomic stability, structural adjustment, external debt problems, taxation, investments, employment, markets and all relevant sectors of the economy—with respect to their impact on poverty, on inequality and particularly on women; assess their impact on family well-being and conditions and adjust them, as appropriate, to promote more equitable distribution of productive assets, wealth, opportunities, income and services;
>
> Pursue and implement sound and stable macroeconomic and sectoral policies that are designed and monitored with the full and equal participation of women, encourage broad-based sustained economic growth, address the structural causes of poverty and that promote eradication and reduction of gender-based inequality within the overall framework of achieving people-centered development;
>
> Restructure and target the allocation of public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty.

Canada's Commitments to Implementing the *Platform for Action*

Canada Fully Committed to Fiscal Mainstreaming in Accordance with the Platform

The *Beijing Declaration and Platform for Action* framed state commitments as active obligations assumed by assent to the Platform. Each state enacted its assent by filing with the Conference detailed state action plans for implementing the commitments in the *Platform*. These action plans bound each state, in addition to the usual conference and UN General Assembly adoptions.

Canada played an international leadership role in commitment through activation: By the time Canadian representatives arrived in Beijing, they had already formalized Canada's national action plan, complete with the list of federal ministries agreeing to implement the specific action items enumerated in it. At the same time, the federal plan was released in Canada as a government-wide working document entitled *Setting the Stage for the Next Century: The Federal Plan for Gender Equality* (Finestone).

Canada's *Federal Plan* translated all its *Platform* commitments out of the broad framework language used in the *Platform* and into language consistent with the structures and legal/constitutional frameworks of Canada's governance system.

Thus the *Canadian Federal Plan* restated the strategic objectives identified in the *Platform* in terms of Canadian policy frameworks—including the following Strategic Objectives:

#1: full gender-based analysis of all aspects of federal governance;
#2: full equality in matters concerning women's economic autonomy;
#6: women's equal participation in governance and decision-making;
#7: promote and support global gender equality;
#8: advance gender equality in federal employment.

Canada's *Federal Plan* also outlined the research tools, data, and methodologies to be used to carry out gender-based analysis by those departments and agencies and it confirmed that Status of Women Canada would continue to be the high-level "machinery" responsible for implementing and operating this gender mainstreaming framework.

Canada's *Federal Plan* contemplated that governmental fiscal policy and budget decisions be reflective of gender-based analysis. The Canadian Department of Finance made specific commitments under Canada's Federal Plan to guarantee women equal input into and benefit from government decisions concerning economic growth and planning (*Federal Plan* paras 56-57).

The *Federal Plan* grounded its commitments directly in the sex equality clauses of the *Canadian Charter of Rights and Freedoms*, the *Constitution Act, 1982*, human rights laws, all of Canada's international obligations, including those under the CEDAW, and the commitment to substantive constitutional equality found in Supreme Court of Canada decisions.

These commitments are sadly very far from being realized in many areas of Canadian law, including in tax policy. This is documented in the next section. Although it is possible that the current Liberal government can begin to take constructive steps to rectify the many inequalities in tax law, early indications related to the Canada Child Benefit, reviewed later in this paper, raise serious questions about how much the government is willing to do.

Canada's Actual Tax Cuts and Sex Equality Rankings, 1995-2015

Even while implementing the *Platform*, Canada accelerated tax cuts aimed at "taxing for economic growth." By 2011, Canada had cut its tax ratio—total tax revenues expressed as a percentage of GDP—by 5.5 percent, from 35.9 percent in 1997-98 to 30.4 percent in 2011 (OECD). This in turn reduced total annual revenues by 15 percent ($100 billion in 2011). Within a few short years, Canada sex equality rankings fell dramatically.

Tax Ratios, Human Development, and Sex Equality Rankings, Canada, 1995-2015

"Taxing for growth" has been the neoconservative mantra in tax policy for some time, dating back even before the Royal Commission on Taxation in Canada declared that priorizing economic growth as the goal of tax policy should take a back seat to taxing for "equity." But it was not until the mid-1990s that gradual tax cuts that began in earnest during the Mulroney government began to actively undercut both human development in Canada and its early progress in promoting gender equality.

The chart below shows the magnitude of the changes in Canada's tax ratios between 1995 and the present. The drop in revenues has been sharp and sustained, among the three fastest and deepest total revenue cuts in the entire OECD. These cuts accelerated anew in the mid-2000s when competing political parties began trying to out-cut each other in search of votes.

This chart also shows how Canada's sex equality rankings fell during this same period of time. Before Canadian governments began systematically cutting all types of taxes in the late 1990s, Canada had been ranked number one in both the United Nations human development index and the UN's sex equality indices for several years (*Human Development Report*). Since 2001, Canada's sex equality rankings have fallen rapidly—from first to twenty-third in the UN gender indices, and much lower in the World Economic Forum gender rankings (World Economic Forum).

Canada's Tax Cuts Discriminate Against Women in Four Distinctive Ways:

Deliberate reductions in tax revenues have been used to justify huge budgetary austerities that have de-funded governmental sex equality institutional mechanisms as well as sex equality, social spending, income security, and anti-poverty programs.

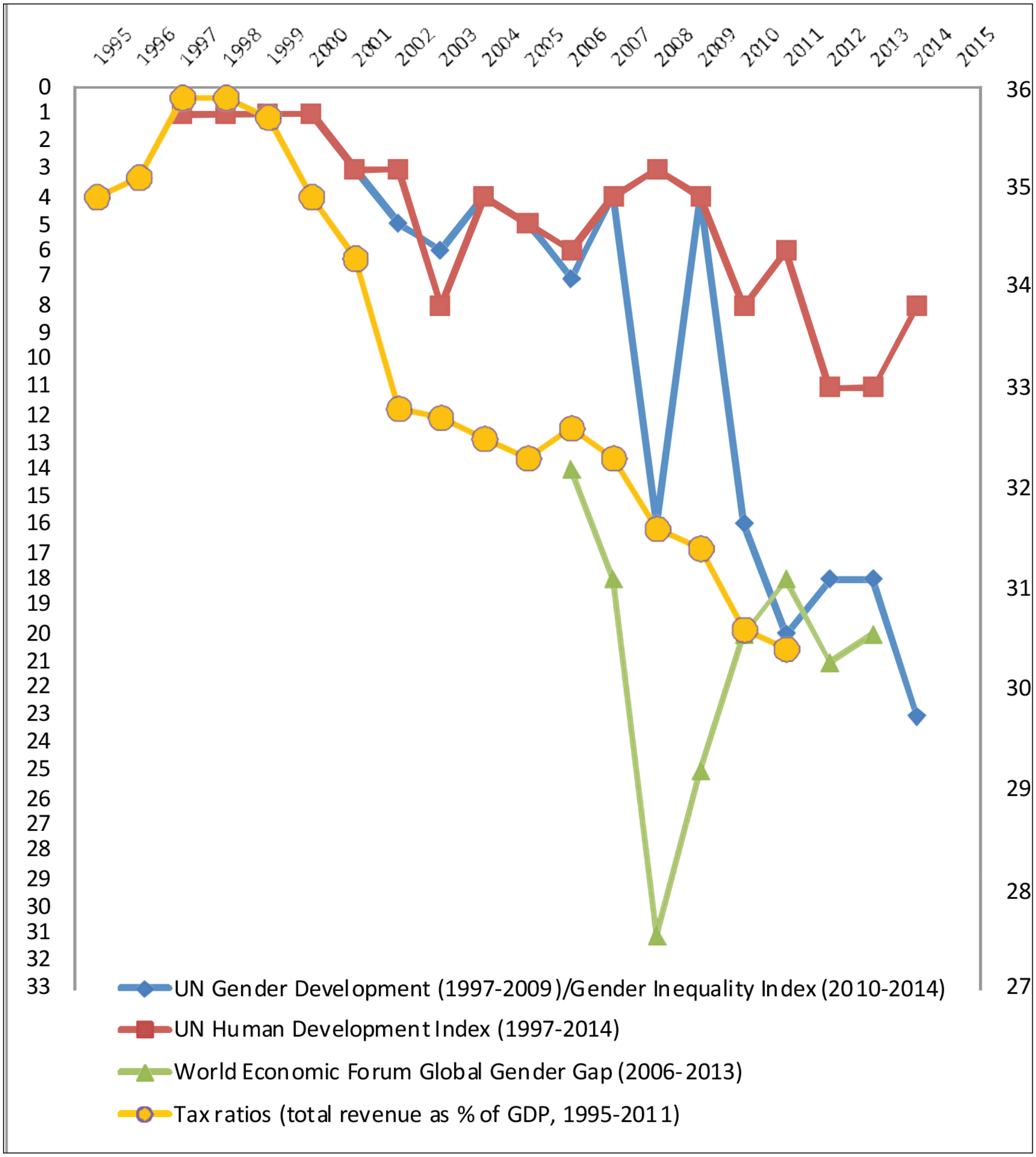
Tax cuts have privatized nearly 15% of previous annual revenues in gender-unequal ways that have directly increased men's shares of aftertax incomes as compared with women's shares.

Tax cuts, tax benefits, and tax haven rules as well as direct benefits and penalties have disproportionately benefitted private capital, investors, and business owners, which has tended to benefit men and few women. At the same time, these have under-benefitted or under-funded social provisioning and reproduction, education, public employment, and human development realms, all of which have had disproportionate negative effects on women.

Tax and other fiscal policies increasingly presume, support, and incentivize discriminatory and stereotyped breadwinner roles for men and caregiver/marginal paid worker roles for women.

The remaining sections outline the four major types of tax cuts that have been made since 1995 that have contributed to this overall result: (1) structural or detaxation cuts; (2) expanded use of tax expenditures; (3) increased use of joint tax-benefit measures to provide fiscal incentives to women to shift work effort away from paid work and toward unpaid or privatized work; and (4) permitting offshoring to reduce taxes payable in Canada.

As well as favouring wealthy individuals and multinational businesses and investments, all sectors substantially dominated by men, each of these four types of tax cuts negatively affect the distribution of tax burdens and tax benefits on the basis of gender by simultaneously undercutting women's shares of net aftertax incomes and massively reducing government revenues needed to carry out state obligations to all within their scope of operations, including obligations owed equally to women and men.



Tax ratios, human development, and sex equality rankings, Canada 1995-2015

Detaxation Cuts: Privatization of Public Revenues

Structural detaxation was initiated in the late 1990s with Canada's federal "Tax Advantage" program. The "advantage" being advertised was Canada's decision to implement substantial personal and corporate income tax cuts over a period of years, which the government thought would attract companies and investment to Canada by the lure of lower taxes and thus greater aftertax profits. The pace of tax cuts accelerated significantly in 2006 as the newly-elected conservative government implemented even larger cuts to the goods and services tax as well as to the personal and corporate income tax rates.

These types of structural or deep tax cuts are referred to as "detaxation" because once in place, they become invisible as they operate to reduce a country's fiscal capacity or revenue production year after year, and because they are intended to give private actors more control over economic flows. They are often justified on the basis that they will create "incentives" to businesses, investors, and workers because they enable them to keep more of their aftertax incomes. However, even the Canadian government has admitted that the connection between tax cuts and economic growth is weak (Canada *Budget 2010* 281 table A1.1).

Detaxation cuts take the form of large tax cuts or increased tax exemptions across the board for everyone, do not require any specific behaviours to qualify for such benefits, and are justified in general political terms that can change depending on the circumstances (Lahey 125-126). In this sense, "detaxation" cuts have been referred to as "virtual manna" in the sense that they fall to anyone who is already in a position to receive them, but may not be easy to access because they are not particularly linked to identifiable or easily-changed behaviours (Cahuc and Carcillo 8).

Canada's detaxation program illustrates these features. The 2006 conservative government had announced its major tax cut plans long before the 2008 recession began, originally justifying these cuts on the basis that they would help increase Canada's economic growth and productivity. Once the recession began, these same tax cuts were quickly repackaged as "crisis stimulus" policies designed to help soften the effects of the recession on workers and businesses.

Between 2007/8 and 2012, these tax cuts removed at least $130.5 billion from total annual federal revenues that could have been collected in those years. These cuts quickly wiped out existing annual budgetary surpluses and ran up total new operating deficits of $115.8 billion (Canada *Budget 2009* 255 table A2.2). In effect, these tax cuts shifted public fiscal space from the federal government to private individuals in the form of taxes they no longer had to pay.

However, it is important to note that the tax cuts creating this new privatized fiscal space were not allocated equally to each person in Canada, on a *per capita* basis. Instead, they were distributed in proportion to the amount each individual had contributed monetarily to public revenues before the cuts were made. In essence, this fiscal space was privatized by redistributing what would have been paid in the form of taxes to the federal government back to individuals based on their individual income-earning capacities—not equally to all members of the population. Thus these tax cuts disproportionately increased the aftertax incomes of individuals and business with higher incomes, and largely bypassed or under-benefitted those with lower incomes—and thus disproportionately to men as compared with women.

It is particularly important to note that these detaxation tax cut benefits did not go equally to women and men. As can be seen from the figures below, the massive tax benefits from these detaxation cuts went predominantly to men.

Because these detaxation losses are structural, they will continue to reduce federal taxes by similar amounts on an annual basis in every year going forward—and always in proportion to individual income-earning capacities over time, not on a *per capita* basis. For 2012/13 alone, detaxation left the federal government with $40.1 billion less revenue than it would have otherwise received, all of which was allocated unequally between women and men because it was based on the income tax liabilities of each:

As these figures demonstrate, each of these structural tax cuts is gender regressive. With 60 percent of the financial benefit of the personal income tax cuts going to men, and

Cumulative detaxation revenue losses, 2008-12[1]

Federal level taxes only	**Men's shares**	**Women's shares**	**Total**
GST rate cuts	62%	38%	$ 48.4 bill.
Corporate income rate cuts	63% to 90%	10% to 37%	30.4 bill.
Personal income tax cuts	60%	40%	51.6 bill.
Total revenue losses 2008-12			$130.4 bill.
Total deficits 2008-2012			$115.8 bill.

Annual detaxation revenue losses, 2012/13 budget year

Federal budget revenues lost	**Men's shares**	**Women's shares**	**Total**
GST rate cuts	62%	38%	$ 13.8 bill.
Corporate income rate cuts	63% to 90%	10% to 37%	13.3 bill.
Personal income tax cuts	60%	40%	13.0 bill.
Total 2012/13 revenue lost			$40.1 bill.

men's shares of corporate and GST cuts ranging from 62 percent to 90 percent, it is numerically impossible for these tax cuts to help increase women's shares of total consumable incomes above their existing 38 percent to 40 percent shares. In fact, it is much more likely that over time, detaxation will place increased downward pressure on women's existing shares of aftertax incomes.

Three factors explain how structural detaxation will almost always be gender regressive. First, women have much smaller incomes than men, on average, and own fewer capital or investment assets. Thus, detaxation cuts that reduce income tax rates for individuals or for corporations will give those with the highest incomes the largest number of dollars in total tax cut benefits.

Forty percent of all women have such low incomes that they do not have any income tax liability at all—so a substantial number of women will never receive any financial benefits at all from any income tax cuts…. Giving a personal income tax cut to someone who has little or no income tax liability gives them nothing at all.

Second, these tax cuts will be regressive in incidence to the extent that the rates being cut were originally progressive in incidence. The more progressive or sharply graduated the rates being cut are, the larger these "upside down" tax cut benefits going to those with the highest incomes.

Third, 40 percent of all women have such low incomes that they do not have any income tax liability at all—so a substantial number of women will never receive any financial benefits at all from any income tax cuts. Men own nearly twice as much income and wealth as women, and so they hold more "entry cards" that qualify them to receive the benefits of detaxation. Giving a personal income tax cut to someone who has little or no income tax liability gives them nothing at all. Similarly, giving tax cuts to corporations leaves out all those who do not own corporate shares.

The present-day gender distribution of detaxation benefits is the legacy of women's historical exclusion from ownership of capital, businesses, and average-to-high incomes. Historically, Canada's total tax system has been slightly gender progressive, in that it has historically redistributed some net aftertax income to women through transfer payments such as social assistance.

But detaxation undercuts even that slightly gender progressive redistribution of aftertax incomes in a very direct and permanent way. By scaling the financial value of structural detaxation benefits to existing individual shares of capital, income, and caregiving, detaxation essentially sets the slow process of gendered redistribution into reverse. For example, Canada's total tax system has generally increased women's aftertax incomes by four percent, compared with men's aftertax incomes. But when $1.9 billion in personal income tax cuts came into effect in 2009/10, women received only 36.6 percent of those tax benefits, thus incrementally reducing that four percent to a smaller amount of net aftertax gendered redistribution. As the effects of structural detaxation will remain permanent until affirmatively changed by law, this incremental reduction in the redistributive effect of the total tax system will take place year after year.

Even detaxation cuts to flat-rated taxes like the GST are gender regressive in effect. As demonstrated in the table below, the 2006 cut of the GST rate from seven percent to five percent gives the biggest tax cut benefits to those with the largest levels of taxable consumption, and the smallest tax cut benefits to those with the lowest levels of consumption. Consumption levels fall as incomes fall. Even though those with low incomes receive the tax benefit of refundable GST tax credits, those credits do not offset all lower-income GST liability.

Because women are concentrated in lower income levels, they received fewer financial benefits from detaxation of such consumption taxes—even though such taxes are assessed at a fixed rate across income groups instead of scaled to taxable income.

Those with the lowest incomes—who need additional government support that is distributed on the basis of need, and not on the basis of how much tax they might have been paying—receive the smallest benefits from the GST rate cuts. Inversely, those with highest incomes—who do not need additional government assistance to afford the basic necessities of living, and thus are best able to add the value of tax cuts to their savings and investment assets—receive the largest financial benefits from the GST rate cuts.

Even within low income groups, women's average incomes are on average lower than men's average incomes. Thus, women in the lowest income quintile (one-fifth) in the GST table above will receive annual benefits from GST detaxation of only $132, while men in the lowest

Average benefit from 2% GST cuts, by income quintile and sex, 2012[2]

Income quintile	Lowest income	Second	Third	Fourth	Highest income	All
Women ($)	$132	$343	$584	$799	$1,348	38%
Men ($)	$222	$451	$708	$991	$1,666	62%

income quintile will receive $222—68 percent more than women in the bottom quintile. Women have the lowest of the low incomes in the bottom quintile, but in violation of all concepts of equality, they receive the smallest detaxation benefits of any group in this table.

Tax Expenditures: Hidden Tax Cuts and "Upside Down" Program Spending

"Tax expenditures" are special tax rules that are designed to forego tax revenues under carefully defined circumstances. Often they are used as a way to provide government benefits to qualifying individuals through the tax system instead of through direct spending programs. For example, giving volunteer firefighters a tax credit is a way for governments to reward that type of unpaid work even when it is performed for a different level of government. They are called tax "expenditures" to emphasize that by foregoing revenue for special purposes, the fiscal effect is the same as direct budgetary expenditures (Surrey).

Tax expenditures do have a lot in common with detaxation cuts, discussed in the section above. Both detaxation cuts and tax expenditures have limited budgetary visibility, tend to be expensive in terms of lost revenues, and usually benefit those with higher incomes than those with lower incomes—the "upside down" effect. The difference between tax expenditures and detaxation, however, is that tax expenditures tend to be small rules buried in the "fine print" of complex tax provisions, and are intended to provide affirmative incentive for taxpayer behaviour. The characteristic assigned to "detaxation" by its originators Cahuc and Carcillo, however, is that the cuts are made without regard to specific policy issues, like tax deductions for medical costs, or tax credits to businesses that install more wind turbines, but are made in the general belief that somehow they will diffusely encourage increased economic activity that will enhance GDP growth overall.

Tax expenditures do not exist simply because they might be more economically efficient than general detaxation cuts to spur economic growth and productivity. In fact, it is widely recognized that it just simply easier politically to make government expenditures through the tax system in this way. They are located in the fine print of budget documents, they are hard to measure and track, and they often pass with little critical political or public debate.

The reality is that tax expenditures can take many different and complex forms -- they may be structured as tax deductions, exemptions from taxation, tax credits, special tax rates, deferral provisions, or as refundable tax credits that are paid even if there is no actual real-world tax liability being "credited" (Tax Policy Center). As such, it is difficult to identify the universe of all tax expenditures in any given tax system, let alone quantify them and make useful general observations about their impact when they are buried in the "fine print" in huge annual government budget documents.

In addition, tax expenditures usually function to reduce taxes, and so they can often be used to win political favour with selected industries or groups of individuals, because they have the same popularity of "tax cuts." However, tax expenditures frequently contain direct or implicit penalty provisions, which are difficult to identify and track but are resistant to political critique because the penalty features are often used to limit the value of such tax benefits at low income levels, and appeal to the sense that they should only be given to those who "need" them the most.

Canada's tax systems contain vast numbers of tax expenditure provisions. In 2010, all the tax expenditure provisions in the personal income, corporate income, and goods and services tax systems removed nearly as much potential revenue from the federal treasury as the federal government actually collected that year: The combined total of all personal, corporate, and GST tax expenditures came to $172.0 billion in 2010, while total federal revenues collected were only $191.5 billion.

The identification and analysis of the gender distribution of tax expenditures is important because of the massive amounts of revenue that these provisions remove from government hands and thus leave in the private sector. In 2010, that $172 billion in tax expenditures represented 47 percent of potential federal revenue for the year—all delivered to the private sector through hundreds of tax exemptions, allowances, deductions, credits, deferrals, and special rates. Because provincial/territorial income tax laws in Canada closely track the federal income and other tax laws, another 30 percent or more of that $172 billion was left in private hands through the provincial and territorial versions of these tax expenditures.

Like detaxation, the distribution of tax expenditures reflects deeply-rooted gendered economic inequalities. Many tax expenditure provisions are built into or are contingent upon existing allocations of capital, incomes, and caregiving. Despite the large amounts of potential revenue left in private hands as the result of tax expenditures, it is arithmetically impossible for tax expenditures as they are presently structured to help close the gender gap between men's 60 percent shares of aftertax incomes and women's 40 percent shares.

Like detaxation benefits, tax expenditures are distributed on an "upside down" basis—the overwhelming majority of specific tax expenditures provide larger financial benefits for taxpayers with high incomes than they will for those with low incomes. Some technical variations produce more extreme maldistributions than others. For example, tax credits produce the same dollar value of benefits for taxpayers at all income levels, but they will still not benefit those who have little or no income, because only those with positive tax liability can take full advantage of nonrefundable tax credits. In addition, even fully refundable credits only reach those affected by the formal tax system. Thus those excluded from national tax systems due to their status under the *Indian Act* and those who have no contact with the formal tax system will have no access to such benefits.

Given the lifelong gaps between women's and men's incomes, it is no surprise that men receive 62 percent of total tax expenditures that can be claimed when calculating total income assessed, and that the rest of the total tax calculation process only shifts another two percent of total aftertax income from men to women, as demonstrated by the figures below.

The broad gender shares of aggregate tax expenditures in the tables below do not fully reveal how the distribution of specific tax expenditures will be affected by gendered economic relations.

Providing a comprehensive picture of the actual gender impact of specific tax expenditures is quite complex, because there are literally hundreds of such provisions. The following two tables set out men's and women's shares of the largest tax expenditures relating to promotion of capital investment as compared with government subsidies as contrasted with the largest tax expenditures relating to the promotion of unpaid caregiving work.

What is striking about the figures in the two bottom

Total federal tax expenditures, 2010[3]

Federal level taxes only	**Men's shares**	**Women's shares**	**Total cost**
Personal income tax	60%	40%	$128.6 bill.
Corporate income tax	70%	30%	26.0 bill.
GST	62%	38%	17.4 bill.
Total revenue lost			**$172.0 bill.**

Three largest federal tax expenditures to owners of capital, 2010[4]

Federal level taxes only	**Men's shares**	**Women's shares**	**Total cost**
Dividend tax credit	71.2%	29.8%	$6.5 bill.
Capital gains exemption	78.2%	21.8%	4.2 bill.
Pension income splitting	220.6%	(120.6%)	2.0 bill.
Total			**$12.7 bill.**

Four largest federal tax expenditures related to caregiving, 2010[6]

Federal level taxes only	**Men's shares**	**Women's shares**	**Total cost**
Canada child tax benefit	3.7%	96.2%	$9.2 bill.
Dependent spouse credit	84.1%	15.9%	$1.7 bill.
Equivalent to married credit	25.9%	74.1%	$0.6 bill.
Dependent caregiver credit	60.6%	39.4%	$0.1 bill.
Total			**$11.6 bill.**

tables is how clearly they reflect the separate economic spheres associated with male and female roles that still strongly persist in contemporary Canada. Ownership of capital is highly concentrated in male hands, and the gender imbalances in the shares of the three largest tax expenditures that subsidize capital ownership are quite extreme:

In contrast, governments are clearly prepared to provide equally massive subsidies to incentivize women's unpaid work—and to ensure that these tax expenditures are structured in such a way that *men receive the majority of two of those four items.* The only item that clearly benefits women as a group is the refundable tax credit for low-income parents. And that refundable cash tax credit is designed so that women lose it when they cohabit with another person who can support them.[5]

The tax expenditures going to women are not at all likely to close after-tax income gender gaps. This is because of the way these tax credits are designed, legally: The two tax credits that give the largest shares to men—the dependent spouse and the dependent caregiver credit—are paid legally to spouses/common law partners who support their spouses/partners who in turn are providing *unpaid* care work. In the case of the dependent spouse credit, it is paid to the supporting (most often male) spouse/common law partner for simply being economically dependent, even if there are no children in the household.

In the case of the dependent caregiver credit, it is paid to the person providing dependent care (including for aged or disabled relatives) but can be transferred to the income earner if the person providing the unpaid care work does not have enough income to take advantage of the tax credit. Thus these two tax expenditures incentivize women's unpaid caregiving work and economic dependency by giving the net economic benefit of these tax credits to increase men's aftertax incomes and savings rates.

In contrast, the largest caregiving tax expenditures in the table above are aimed at creating tax benefits that can be claimed only when individual women substitute unpaid care work that they do in their own households *instead of when they engage in paid work.* The item listed as the Canada child tax benefit is a tax credit that in 2010 was worth only slightly more than $100 per month per child under six. This small amount is clearly no substitute for public-funded and universally accessible care resources. The equivalent to married credit is given to single parents, and is also worth so little that it cannot provide the cost of enough paid childcare to enable the single parent to engage in fulltime paid work.

These caregiving tax expenditures make it clear that in Canada, there is little concern that public subsidies for private caregiving activities all create hidden barriers to women being able to devote more time to the types of economic activities that could, over time, give them access to larger shares of incomes and, eventually, of capital ownership.

Joint Tax and Benefit Measures: Enforcing Women's Economic Dependence

The third category of tax cuts that have a particularly negative impact on women's rights to economic equality are joint tax and benefit provisions. On paper, Canadian tax law makes it sound as if each individual is a taxpayer. However, there has always been strong pressure on Canadian governments to adopt the married couple—and more recently, unmarried common law couples of both opposite and same sexes—as legal tax and benefit units. Governments have made piecemeal changes to implement joint taxation in Canada. This has not been done by passing a single clear statutory provision that redefines the legal tax unit as the couple, or by enacting full joint filing of all taxable incomes, as, for example, is done in the U.S. Instead, Canadian governments have intermittently inserted small narrow "joint" tax benefit, tax penalty, program benefit, and benefit clawback provisions into federal legislation.

The provinces and territories generally apply their own personal, GST, and corporate tax rates to federally-defined tax bases, which means that unless provincial/territorial governments take some care to exclude these types of joint provisions from their tax laws, provincial/territorial laws also contain numerous unique and narrow joint tax benefits, tax penalties, and spending measures that resemble but are always very different in detail when compared with federal fiscal provisions.

As a result, federal tax law alone is riddled with well over a hundred different specific tax provisions that treat spouses/common-law couples as presumed interdependent and financially integrated tax units. Most of these provisions are then enacted again in their provincial/territorial versions, but not always consistently.

In substance, these types of provisions are neither consistent in application nor fair in impact. For example, taxpayers have been declared by the tax department to have the right to transfer taxable dividends to a supporting spouse to optimize the tax benefits of the dependent spouse income tax credit. In contrast, however, transferring the same taxable dividends to a low-income spouse could disqualify that spouse/partner from receiving the Working Income Tax Benefit, which is designed to help low-income individuals make the transition from social assistance to paid work.

At the same time, the Harper government's enactment of pension income splitting laws has made it possible for high-income spouses/partners to obtain additional low-income benefits such as OAS/GIS pensions and benefits, refundable GST credits, UCCB payments, and other low-income supports—while taking them away from the lower income spouse/partner. This happens because when high incomes are split with a low-income spouse/partner, the now-reduced split incomes are treated as "real" incomes for purposes of qualifying for such income support allowances. At the same time, the low- or no-income spouse/partner with whom the income-earner splits their income loses these low-income benefits because they are then deemed in law to be richer in fiscal terms than they are in reality.

Proponents of joint tax/benefit provisions rely on the assumed economic unity of adult couples to justify these provisions, while opponents emphasize how joint measures undercut women's economic autonomy with subsidies to their spouses/partners for women's unpaid work in the home and thus create new fiscal barriers to women's paid work. Advocates of joint tax/benefit provisions argue the legitimacy of government subsidies to supporting adults for the provision of unpaid work by other adults for those who prefer such gender relations. Those seeking individual taxation and benefit systems point out that joint fiscal instruments are inconsistent with democratic principles of sex equality, equality of opportunity, and tax fairness on the basis that no government should be permitted to use tax and benefit laws to either discourage and financially penalize women's paid work and opportunities for economic security, or to reinforce deeply embedded cultural preferences for women's unpaid work and lifelong economic dependency.

In these discussions, governments are usually assumed to be neutral arbiters of equality and the common good. But in fact, as Canadian joint fiscal measures are structured, such joint benefit and penalty provisions work directly against women's interests in two covert but powerful ways. First, joint tax-benefit laws subsidize men's paid work and capital accumulation by helping secure a steady supply of unpaid work for higher-income men at bargain rates. This unpaid work continues to be performed overwhelmingly by women. Second, joint tax and benefit provisions give governments powerful cost-control tools that can be used to cut off low-income supports to low- and moderate-income individuals when it appears that they could seek support from a spouse/partner instead of from government programs. The individuals affected by these provisions also tend to be overwhelmingly women.

Government interests in joint tax-benefit mechanisms can be seen clearly when the annual revenues and outlays from Canada's joint fiscal system are conceptualized as a *three*-way flow involving two spouses/partners and governments that have implemented joint fiscal measures. In the figures below, tax effects and benefit clawback/increase effects have been aggregated across all policy categories and across all levels of government to demonstrate what happens in Canada when federal and provincial governments act as intermediaries between spouses/partners in delivering tax and spending benefits and penalties that reflect gendered views of interspousal support and service obligations.

In essence, this complex system increases women's taxes, reduces their social benefits, and reduces their net aftertax spendable income every year. This takes a total of $25.8 billion (in 2012) away from women, and that $25.8 billion is split between governments, which are saving money at women's expense ($18.3 billion in the 2012 example) and male spouses/partners, who get tax reductions, some small reductions in their social benefits, and $7.5 billion of the $25.8 billion redistributed away from women and to men/governments:

Women: Joint tax/benefit rules increase women's income on paper, reduce their eligibility for government benefits, and reduce their net aftertax consumable incomes each year; all governments, 2012:
Total increase in taxes paid by women ($2.9 bill.)
Total reduction in transfer payments ($22.9 bill.)
Change in consumable income for year ($25.8 bill.)

Governments: Joint tax/benefit rules increase government revenues from women, cut government costs for benefits paid to women, and give governments overall higher net revenues over the year; all governments, 2012:
Total additional taxes paid by women $2.9 bill.
Total tax reductions given to men ($8.4 bill.)
Total government savings in transfer payments $23.7 bill.
Government fiscal balances $18.3 bill.

Men: Joint tax/benefit rules reduce taxes paid by men, also reduce benefits they receive from governments, and increase their net aftertax consumable incomes each year; all governments, 2012:
Total reduction in taxes paid $8.4 bill.
Total reduction in transfer payments ($0.9 bill.)
Change in consumable income for year $7.5bill.[7]

When the moving pieces of the total tax-benefit system are viewed as a three-way flow, it is clear that women lose a great deal from Canada's joint fiscal system—and that the beneficiaries are Canadians as a whole via their federal and provincial governments, and male or the higher income spouse/partner.

In 2012, joint tax and spending provisions at all levels of government cost married/cohabiting woman a total of

Governments may find it convenient to make the case for joint tax and benefit laws in vague terms of "helping single-income parents" or "creating choice," but in fact, joint fiscal laws increase "choices"—and disposable incomes—only for those who actually start out with the very highest incomes. Everyone else receives less choice—and less money.

$25.8 billion in consumable incomes (including after GST and other commodity taxes are paid on consumption). On that estimate, this averages $3,182 of net aftertax income lost per woman affected.

What is striking about these figures, however, is that governments benefit far more than supporting spouses/cohabitants do from these massive joint tax-transfer losses. Governments received $18.3 billion of women's total aftertax income losses—but they only passed $7.5 billion of women's total losses on to men. And, although the per-woman loss in aftertax income is $3,182, the per-man average aftertax benefit from the joint tax-benefit system is just $920.

Governments pocket the difference, which on these figures is $2,262 per couple affected.

Looking at the aftertax effects of Canada's total joint fiscal system in this way reveals two important facts about how it works. First, the biggest "winners" in this three-way relationship will always be the governments that operate these systems. That is because the main justification in Canada for using joint fiscal instruments—whether they are set up in the form of tax expenditures and direct benefits, or as tax penalties and benefit clawbacks—is "target efficiency" in providing income support only to those who really "need" it.

Second, men overall, and particularly those with low and moderate incomes, also lose a great deal from this set of "targeted" low-income supports. Because the fiction of marital or domestic unity still casts men in the role of main breadwinner, the presence of a conjugal partner is considered to be sufficient grounds for using income-tested benefit caps to withdraw government benefits from those receiving low-income transfers. In modern gender- and sexuality-neutral terms, this fiscal fiction of marital unity ensures that when individuals with incomes live with spouses/cohabitants who would otherwise qualify for low-income supports, they are deemed to share their incomes in ways that justify replacing government benefits with the second adult's private earnings. But the lower the supporting partner's income, the smaller the benefit.

As a result of the joint tax-benefit system, couples of all types are being incentivized to adhere to the male breadwinner model simply by tax and benefit penalty provisions that assume that all lower-income individuals—who are predominantly women—are economically dependent on their partners, whether they have chosen that financial arrangement or not.

The Canada Child Tax Benefit, which was an income-tested refundable tax credit for lower income couples and women, in the figures above does account for roughly a third of the $22.9 billion in transfer or income security payments that women lost through this joint fiscal system in 2012, but there are many other provisions in every jurisdiction in Canada that replicate this result every year. (These benefits are now a nontaxable allowance under the Trudeau government. But they have the same effect on women's paid vs unpaid work.) These income-targeted low-income supports ensure that the presumptions and expectations of deemed fiscal unity continue to shape the economic lives of both women and men at low and modest income levels, regardless of what they might choose for themselves.

At the higher income ranges, however, joint tax-transfer rules produce the opposite result. When two spouses/cohabitants are in different income tax brackets, joint tax provisions like pension income splitting not only transfer tax liability to the lower income partner, but can also actually increase the higher-income partner's eligibility for low-income reliefs. This occurs because income splitting is deemed to have actually "impoverished" the partner with the higher income.

Governments may find it convenient to make the case for joint tax and benefit laws in vague terms of "helping single-income parents" or "creating choice," but in fact, joint fiscal laws increase "choices"—and disposable incomes—only for those who actually start out with the very highest incomes. Everyone else receives less choice—and less money—as the result of Canada's many joint tax and benefit provisions. The table below demonstrates how eliminating all joint tax and transfer measures (fiscally "unmarrying" all spouses/cohabitants) would change disposable incomes for women as compared with men. The positive amounts represent increases in disposable incomes, and the negative amounts indicate

Effect of fiscal individualization on disposable incomes, by sex and decile, 2012[8]

Number of individuals (000s)			Change in total disposable income ($millions)			Change in average disposable income ($)		
Decile	Male	Female	Male	Female	Both	Male	Female	Both
1	523	1263	75	3774	3850	147	2989	2168
2	478	1298	439	5766	6206	919	4441	3493
3	660	1119	784	4034	4819	1189	3606	2609
4	740	1036	-101	3723	3622	-137	3594	2040
5	858	920	-552	3400	2848	-644	3696	1602
6	975	802	-861	2752	1892	-883	3431	1065
7	1007	767	-1377	1874	497	-1368	2443	280
8	1120	660	-1925	1344	-570	-1719	2052	-320
9	1178	598	-2004	1185	-819	-1701	1980	-461
10	1384	394	-2683	318	-2364	-1938	808	-1330
Total	8923	8857	-8205	28182	19978	-920	3182	1124

Note: The lowest incomes are in decile 1; the highest are in decile 10.

reductions in disposable incomes. If all joint provisions were repealed, then women in the lowest income deciles would have $3,000 to $4,440 more in annual aftertax disposable incomes, and even women in the top income deciles would see nearly $1,000 to $2,000 net increases. Although there are far fewer men in low-income deciles, they would also see increases in disposable incomes under a purely individualized tax system. However, men in middle- and high-income deciles would experience a reduction in disposable incomes as they lose the many benefits of the very generous joint tax and benefit rules that favour them.

It is also important to note that overall, complete individualization of Canada's total tax-transfer system would shift disposable incomes from high-income couples to lower-income couples.

Even though joint low-income penalties (like the CCTB clawback) predominantly affect women, they also affect the total net incomes received by low- and middle-income couples. Joint fiscal measures not only transfer aftertax incomes from women to men at all income levels, but also transfer aftertax incomes from low income couples to high-income individuals, who are predominantly men.

On October 30, 2014, at a time when the Harper government was still in an annual deficit position, it announced that it would spend another $2 billion annually to provide parental income splitting "tax cuts" retroactive to the beginning of 2014 and going forward to future years. This was widely seen as part of an early bid for re-election when that government's term of office expired in 2015. Shortly afterward, the government sold government assets and withdrew Employment Insurance premiums from a trusteed government agency in order to create the appearance of a budgetary surplus so that it could spend this $2 billion on the "Family Tax Cut," an income splitting tax credit that gave large federal income tax credits to higher income families to help subsidize having one parent engage primarily in unpaid care work of the household and family in the home.

As the table below shows, parental income splitting gave no tax benefits to single parents, who are predominantly women and who have lower average incomes than couples, and very low or no tax benefits to low income couples, who need government assistance the most. Instead, the largest shares of the Family Tax Cut benefit went to coupled main breadwinners. Invariably, the higher the income, the larger the share of these tax benefits going to male breadwinners:

Although parental income splitting was said to be justified by giving women a "choice" to stay at home and perform unpaid work, the payments received at all income levels were far too small to actually fund such choices. The maximum income splitting tax benefit that

Distribution of $2 billion in Family Tax Cut (income splitting) tax benefits, Canada, 2015[9]

Percentage of $2 billion in total tax cuts received by –				
Couple incomes in each income decile	**coupled parents in decile**	**single parents in decile**	**men in decile**	**women in decile**
1: up to $32,000	0.1%	0%	0.004%	0.1%
2: $32,001-$45,000	0.2%	0%	0.2%	0.1%
3: $45,001-$56,000	1.0%	0%	7.4%	0.3%
4: $56,001-$68,000	2.8%	0%	2.5%	0.3%
5: $68,001-$82,000	7.8%	0%	6.9%	1.0%
6: $82,001-$98,000	12.4%	0%	11.0%	1.5%
7: $98,001-$116,000	17.4%	0%	14.7%	2.8%
8:$116,001-$140,000	14.9%	0%	13.6%	1.4%
9:$140,001-$182,000	16.2%	0%	14.4%	1.8%
10: $182,001 and up	26.9%	0%	23.9%	3.1%
All	100.0%	0%	87.7%	12.3%
Top 5%: >$210,000	16%	0%	16%	0%
Top 1%: >$399,000	3%	0%	3%	0%

any breadwinner would have been able to receive under the proposal as initially framed would have been $2,000 annually. The only couples able to take advantage of this type of "choice" would be those who already can afford to live on one income, and that will be couples in the top income deciles. Thus parental income splitting acts as "virtual manna" and not as a true policy measure designed to support parents, because as designed it can only reward those who would have already been able to make the single-income lifestyle choice on the basis of their existing resources, or on grounds that have little to do with the accurate measurement of ability to pay taxes.

Of greatest concern of all, however, is that the realities of women's longstanding economic disadvantage ensure that very few women will have large enough incomes to become the "splitting" spouse/partner. And when they do, as demonstrated in the table above, they would always receive much smaller shares of these massive tax benefits than men—even from the men who are in their same income deciles. Income splitting privatizes care work, and incentivizes women's unpaid work by providing tax benefits to men in lieu of women using their own time to earn their own incomes.

Parental income splitting was also designed to heavily subsidize men able to trade financial support of their partner for that partner's performance of unpaid care work. At the same time, however, this design ensures that women will not be able to trade financial support in exchange for partner unpaid work to the same extent, for two reasons. First, women generally have the lower of spouse/partner incomes, and thus they will not be in a position to even consider making this trade. These women can choose between more unpaid work and less income for themselves, or less unpaid work but higher childcare costs and more income for themselves, but most women cannot even enter into the bargain contemplated by parental income splitting.

Second, because women do generally have lower incomes in all occupations, professions, and regions than their male counterparts, even when women do have the higher income, the spread or gap between the two incomes will be smaller in most situations. Thus the "choice" a supporting woman might be able to offer her spouse/partner will not, on average, buy as much male-provided unpaid care work as a supporting male can buy of female-provided unpaid care work.

In other words, this was a very large joint tax measure that could only benefit higher-income male breadwinner households. It is designed to deny these benefits to single parents, dual income couples, and higher-income women single income households.

Thus parental income splitting further subsidized men who support partners performing unpaid work in the home. In turn, these subsidies formed additional fiscal barriers to women's paid work and economic security, because these subsidies are designed to reward women who withdraw

Aftertax and afterchildcare incomes by family type, Canada/Alberta, 2015[10]

Household income	Single-income couple (one spouse in fulltime paid work; one in fulltime unpaid work)	Equal-earner couple (both spouses in fulltime paid work)	Single parent (in fulltime paid work with fulltime paid care)
$15,000	$22,323	$17,188	$17,016
$35,000	$33,876	$29,914	$29,583
$45,000	$44,147	$40,436	$40,271
$90,000	$72,015	$64,691	$63,701
$140,000	$102,538	$96,893	$92,717
$200,000	$137,018	$135,472	$129,110

further from the monetized economy, and will further slow the rate at which women as a class continue to gain access to education, paid work, assets, pension benefits, income security coverage, and other valuable economic rights as individuals in their own right.

Fortunately, the Trudeau government elected in 2015 repealed this parental income splitting measure, which was, in the end, enacted in a reduced form and was only in effect for slightly over a year. Indeed, critical public discussions of this particular form of income splitting appeared to help attract many voters to the Trudeau platform. However, the politics of joint family subsidies did not disappear with the Trudeau government. The Canada Child Benefit (CCB) enacted by the Trudeau government collapsed all the funding previously delivered as refundable child tax benefits (the CCTB) and the Harper government universal "childcare" credit (UCCB) into one direct allowance paid to parents as the CCB. Also billed as a source of childcare funding, the CCB is available in declining amounts to couples with up to $160,000 in annual income, is completely nontaxable, and is a joint benefit.

The problem with the CCB is that as a joint benefit—and with the continued lack of enough accessible and affordable quality childcare programs in Canada—it does help fund the unpaid work of women. The size of the allowance is simply not large enough to fund fulltime childcare services for second earner and single parents, who, being predominantly women, will have incomes so low that it is not financially feasible for most to spend the CCB on childcare instead of on extra family spending.

Thus in the end, the Trudeau government's taxable CCB has much the same gendered distributional impact as the Harper government's means-tested CCTB and taxable UCCB: Both give the largest tax/transfer benefits to single-income couples, less to dual-income couples, and the least to single parents. The degree of difference is not quite so extreme under the Trudeau benefits as it was under the Harper government. But the Trudeau government benefits still leave single-income, equal-income, and single parent families in the same gender discriminatory hierarchy: All parents at the lowest income level shown in the above table receive aftertax incomes that are in fact higher than their actual earnings as the result of tax and transfer benefits, but single-income parents in that lowest income group have significantly higher aftertax/afterchildcare incomes than either dual-earner coupled parents or single parents.

At the same time, at all income levels in the above table, single-income coupled parents receive larger aftertax/afterchildcare incomes than both equal-earner and single parent families. Thus even as amended by the Trudeau government, the CCB still ensures that Canadian family fiscal policies provide single-income couples with larger tax and direct benefits for women's unpaid work than for both equal-earner and single parents. This makes it significantly easier for single-income couples at all levels of income to afford raising children as compared with dual-earner couples and single parents.

Multinational Tax Deferral and Avoidance: Unreachable Revenues

Countries at all levels of development are losing domestic tax revenues from the growing use of tax avoidance methods that range from tax deferrals granted by domestic governments for overseas business operations to pressure placed on low-income countries for extreme tax exemptions. Technically, some methods arise from domestic tax laws; others, from the terms of tax treaties with other countries, or from corporate accounting practices such as invoice mispricing, or from basing incomes in special low or no-tax entities or destinations, splitting business operations up among numerous locations, moving business operations to special tax-free economic zones (SEZs), using shell or intermediary entities, or even from convincing governments to grant longterm tax holidays in exchange for politically-popular foreign investment. Several or all of these techniques are increasingly used in combinations that make it extremely difficult to track multinational business or personal investment tax avoidance plans (Contractor).

These practices reduce the revenues of all countries that offer components of these types of multinational tax reduction plans. Recent estimates of total global revenue losses from international corporate tax planning range from US$500 to $650 billion annually (Cobham and Jansky; Crivelli, De Mooij and Keen). The gender effects of these corporate tax practices arise from the specifics of the operations in question. Ownership, control, management, and multinational supply chains are preponderantly in male hands. Thus, multinational and individual tax avoidance schemes intensify gendered imbalances in wealth worldwide, and reduce home country corporate tax revenues. Weak levels of corporate social responsibility leave women in host countries vulnerable to discriminatory labour practices, health and safety risks, and environmental degradation. Revenues lost as tax concessions reduce host country capacities to invest in gender-equal social and economic wellbeing or in gender equality in the business sector.

The resulting revenue losses are of greater significance to developing countries than to high income countries. Lower income countries lose an estimated 6% to 13% of their total tax revenues to multinational tax reduction strategies, while the OECD countries are estimated to lose 2% to 3% of total tax revenue (Cobham and Jansky 19 fig. 7). Because low and medium income countries derive larger shares of their total tax revenue from corporate income taxation than do high income countries, these revenue losses directly reduce government budgets, and thus reduce investments in infrastructure and social programs that protect and promote human capital in the very countries that need such development the most.

The most recent estimates of the amounts of revenue lost annually to such offshore arrangements in Canada increased again in 2017 after the "Paradise Papers" revealed details on an additional 3,400 Canadian businesses and individuals use tax havens. Based on this new evidence, Canadians for Tax Fairness revised its estimate of Canadian tax losses due to tax havens to $10 to $15 billion a year —up from its previous estimate of $5 to $8 billion a year.

This is not a new problem that has only recently surfaced in Canada. In 2005, the Canadian Revenue Agency had reported to the Auditor General of Canada that over 16,000 Canadian corporations had reported transactions with foreign affiliates valued at over $1.5 trillion in that year alone—a figure much larger than the amounts of taxes paid by such corporations would actually suggest (Auditor General).

Despite Canada's treaty obligations to cooperate in bringing such international transactions into compliance with domestic tax laws, the federal government has repeatedly backed off of enforcing anti-tax haven measures in favour of limited "co-compliance" projects that involve closed door negotiations with large companies and those with large offshore investments. The reality is that without a full suite of antiavoidance initiatives, only a tiny amount of tax will ever be collected on the massive overseas financial flows initiated by growing numbers of Canadian businesses and individuals.

Given the claim that Canada cannot even afford to maintain its now-reduced social safety net programs with any stability, the estimated $10 to $15 billion in revenues avoided through use of offshore tax havens could transform Canada's domestic economy. While those who would be negatively affected by the recovery of these monies would be predominantly men, women could benefit tremendously from the infusion of such tax revenues into the federal treasury. Women in other countries would also benefit, because not only would Canadian companies be less able to impair host country revenues, but the Canadian government would also be able to restore its previous levels of overseas development aid to developing and transition countries, and, of great importance to women in other countries, also restore its previous high levels of gender-specific and gender-aware overseas development activities.

Recommendations: How to Promote Gender Equality in Canadian Taxation

In Canada, the largest tax cuts have been to personal income taxes (PIT) and corporate income taxes. These two types of taxes produce the largest majority of Canada's annual tax revenues. They are also the only two federal taxes that use of graduated rates to collect higher rates of tax from those with greater ability to pay, and lower rates of tax from those with the least ability to pay, in order to redistribute aftertax incomes from the wealthiest to those who do live under conditions of financial constraint and poverty.

Over half of all Canadian tax revenues are collected through regressive flat-rated taxes such as the GST, CPP, and EI. Thus as the proportionate share of revenue collected through progressive PIT and CIT has fallen, the total tax system has become less progressive in impact, more regressive at low income levels, and less able to redistribute increased aftertax incomes to those who need them the most.

Due to continuing sex discrimination and policy barriers to income equality, women's incomes are clustered in the lower income deciles and PIT brackets and at the lower ends of income tax rate bands. In addition, women have but small minority shares of ownership of corporations, so they benefit least from those tax cuts too. Thus in the aggregate, the structural PIT and CIT tax cuts disproportionately reduce women's net aftertax incomes, and, at the same time, increase men's net aftertax incomes.

Before the tax cuts in question came into effect beginning in the mid1990s, Canada's total tax system compensated for women's structurally lower incomes with provisions that left them with 4% larger shares of total aftertax income than market income. By 2011, that 4.0% figure had fallen to 3.2%.

The effects of such large changes in the degree of progressive redistribution of aftertax incomes are substantial and far-reaching. Reduced aftertax redistribution of net consumable incomes increases women's economic dependency rates. As women's economic dependence increases, their intra-household status falls. With lower incomes than men over the life course, women have less economic capacity for saving for retirement and income security, and thus experience less economic security at every stage in their lives as well as reduced hopes for the future, particularly at advanced ages. As gendered poverty and income inequalities grow, so too do health, social assistance, and other costs to families, communities, governments, and children, but governments with impaired revenue systems cannot meet such increased costs. In the end, overall national economic stability and human development are impaired.

Key steps to redress this situation are well documented. The federal, provincial, and territorial governments are long overdue in implementing CEDAW and the *Platform for Action* that has been in place since 1995 to ensure that all tax policies and expenditure programs support and enhance women's equality. As a minimum, this calls for restoring full progressivity to the graduated income tax rates in both federal and provincial/territorial tax laws, together with realistic low-income exemptions; restoring corporate income tax rates to levels that prevent tax abuse of the corporate entity domestically and via offshore tax avoidance; reducing reliance on flat-rated consumption and commodity taxes, including GST/HST and ad hoc taxes; and protecting the integrity of all Canadian tax bases by eliminating tax expenditures, special credits, family-based tax and spending benefits that subsidize women's unpaid work and economic dependency, and "boutique" tax items that largely benefit the wealthy and reduce revenue.

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Endnotes

[1]The cumulative and annual personal and corporate detaxation figures are taken from Canada, *Budget 2009*, at 254, table A2.1, adjusted to remove estimated tax expenditures reported for those years. Gender shares are based on SPSD/M simulations (ver. 20), estimated for 2012. The assumptions and calculations underlying the simulation results based on SPSD/M were prepared by the author, assisted by Andrew Mitchell and Val Kulkov, and the responsibility for the use and interpretation of these data is entirely that of the author.
[2]Ibid.
[3]Tax expenditures and gender shares were calculated based on Canada Revenue Agency, *Income Statistics 2012* (preliminary data, for 2010 tax year), at table 6A.
[4]SPSD/M, ver. 20.
[5]The caregiving figure would be $14.3 billion if the UCCB ($2.7 billion for 2012) were included. Women received an estimated 80.1 per cent of that direct expenditure in 2012.
[6]SPSD/M, ver. 20.
[7]All the figures cited in this discussion as well as the three-way allocations of costs and benefits of joint fiscal instruments were estimated using Statistics Canada, SPSD/M, v. 20.
[8]Ibid.
[9]Gender shares are based on SPSD/M simulations (ver. 22), estimated for 2015. The assumptions and calculations underlying the simulation results based on SPSD/M were prepared by the author, with the assistance of Andrew Mitchell and Val Kulkov, and the responsibility for the use and interpretation of these data is entirely that of the author.
[10]Calculations by author, based on 2015 provincial budget and federal announcements, and assuming one child age five, median preschool childcare cost of $924 per month; full use of Alberta childcare subsidy (maximum $546/month for Calgary; tops out by $63,000 annual family income), all for 2015 year.

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SHIRLEY ADELMAN

Packed Up

At my father's funeral the rabbi
looked me in the eye and said,
"I never knew there was a daughter."

Erased eight years earlier,
My belongings packed into boxes,
like my mother's, so soon after she died,
the dust hadn't yet settled on all
she made beautiful.   The plants growing
in glasses that once held sour cream,
looked moist and green, bathed in sunlight,
as though she would return to them,
in the early hours of morning,
after the kettle hummed, and she sat
at the kitchen table, sipping steaming coffee,
and writing out a shopping list with a #2
Pencil, always adding candies last,
because she really believed the words,
when coaxing me to eat dessert,
"The last is the best."
Spoken with a Yiddish intonation,
so the line almost rhymed,
like the Yiddish songs
she sang to her grandchildren,
before sending them off with chocolates
and chicklets, and shiny quarters,
minted the year they were born.

There was hardly time to mourn her,
before the objects of her life
were packing up like found items,
unclaimed cargo when they still
held her scent and shone
lustrous from a lifetime of care.

Shirley Adelman is a writer of poetry and creative non-fiction. Her work has been published in academic, literary, feminist, and medical humanities journals in the United States, Canada, Israel, and South Africa. Much of her writing deals with issues of social justice, both historical and present. She is the mother of Haim and Rachel and the Bubbie of Maya and Avi, and Zane of blessed memory.