

Beijing+30 - Women and the Economy

Background Paper to WG statement

Towards a feminist wellbeing economy centred on care for people and the planet

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Thirty years after the 1995 Beijing conference, gender equality in the economy remains a critical challenge across the region. Women continue to face multifaceted structural barriers that impact their economic participation, inclusion and autonomy. The unequal sharing of unpaid care work and an economic system that remains patriarchal fails to deliver on what really matters to women - the current and future well-being of the people and the planet. Male violence against women and girls remains an acute issue, further hindering women's ability to achieve economic independence and participate fully in the economy. Additionally, the rise of artificial intelligence (AI) is expected to disproportionately impact the work landscape for women, with many jobs held by women being at higher risk of automation and displacement.

The COVID-19 pandemic has had a profound and disproportionate impact on women, causing economic insecurity with job losses, increased unpaid work and entrepreneurial challenges. In addition, COVID-19's impact on female-dominated sectors such as healthcare, education and social services placed women at risk of infection, significant stress and job insecurity.

The economic impacts of the Russian/Ukraine and Israel/Palestine wars on women are profound; affecting their employment, education, health and overall economic participation. The Russian/Ukraine war and related sanctions against Russia have also seriously affected global supply chains, in particular in the energy and agricultural sectors, as well as the global food supply, triggering inflation in many UNECE countries. This inflation disproportionately affects women who

usually have lower wages, in particular single mothers and older women with low pensions. It also increases unpaid housework as women look for ways to save money, by cutting on expenses on food and support services.

The shift of public resources from social security and public services to military expenditures¹ as well as subsidies to the private sector (for example, in Germany to mitigate rising energy prices) disproportionately impact women who rely on public services for family care and deepens society's reliance on unpaid care work as a shock absorber.

Gains & achievements

Since 1995, women have made significant strides in the economy across various dimensions, contributing to economic growth and societal development. Achievements include work-life balance reforms, childcare policies and a reduction of the gender pay gap.

The majority of UNECE countries are so-called 'developed countries', which now have legal frameworks in place in a number of areas related to women and work. For example, all UNECE countries now have laws that prohibit discrimination in employment on the basis of gender; the vast majority also have laws mandating equal remuneration for work of equal value (only 10 UNECE countries do not have such laws²).

At the EU level, the 2019 Work-Life Balance Directive, which came into force in 2022 and is now being implemented at the national level in every EU country, is a significant step to improve family and work reconciliation for both men and women. The EU Directive on corporate sustainability due diligence, which was approved by the EU parliament in April 2024, is also a significant step towards greater cross-border corporate accountability, including on women's and girls' rights.

There are also good initiatives around childcare at the national level. Nordic countries have long prioritised childcare infrastructure as part of their successful gender equality policy (see box 1 below). The *10\$ a day childcare policy* in Canada is a more recent example, although its implementation turns out to be difficult due to low wages and benefits for childcare workers and insufficient facilities. In Bulgaria, the "Back to Work" programme, which promotes mothers' return to work by offering free care for children up to 3 years of age, is another good example³.

Box 1: Childcare infrastructure - the case of Nordic countries

The Nordic countries rank as the most gender-equal countries in the world⁴ and have a higher female employment rate than most other countries. This high labour force participation of almost two thirds of women or working age is partly due to the childcare infrastructure, which

¹ See figures on <https://www.sipri.org/media/press-release/2023/world-military-expenditure-reaches-new-record-high-european-spending-surges>

² See the World Bank's 2024 *Women, Business and the Law* report and data set

³ Source: ILC112 report on "Decent Work and the Care economy"

⁴ According to the World Economic Forum's Global Gender Gap Report 2024 [WEF GGGR 2024.pdf](#)

encourages mothers to continue working post-childbirth and creates numerous jobs in the childcare industry⁵.

	Denmark	Faroe Islands	Greenland	Finland	Åland	Iceland	Norway	Sweden	EU
Men									
- 2022	78.5	89.1	75.1	74.0	75.9	84.4	79.2	78.8	73.7
- 2023	78.5	73.1	..	86.2	78.7	78.8	..
Women									
- 2022	74.2	88.2	75.5	73.6	77.7	78.8	74.9	74.4	64.4
- 2023	73.9	73.8	..	79.3	74.9	75.4	.

Employment rates (15-64 age group) - Source Nordic Cooperation, Nordic statistics

Subsidised Childcare: Universal access to affordable, high-quality childcare is a core factor of the Nordic success. Nordic countries invest a significant portion of their GDP in childcare services, ensuring fees are low and affordable for all parents. For example, an average Swedish family spends about 5% of their net income on childcare. Corresponding figures for other advanced countries such as the United States and the UK are about 25% and 32%⁶, whereas the benchmark of affordable care, according to the American Department of Health and Human Services, is about 7%⁷. As a result, many couples in the United States and UK find it financially pointless for both parents to work outside the home, and thus the lowest paid parent, usually the mother, stays home.

Parental Leave: Generous and shared parental leave policies, including paternity leave, promote involved fatherhood and support family well-being. In Sweden, the State grants parents paid leave a total of 480 days to be shared between the parents. Days can be transferred between the two parents but with 90 days minimum per parent. As a result, if the father (or the mother) does not take out the minimum 90 days of parental leave, those will be forfeited, and the couple will lose 90 days of state granted paid parental leave. Further, parents do not need to take whole days off, they can use the parental leave benefit to shorten their working hours. For example, they can choose to take on a few days off every week, the whole week or simply choose to work fewer hours per day. These policies, in combination with the flexible system, help create a more balanced division of labour at home and reduce career interruptions for women⁸.

In 2024, the Swedish parental leave system has become even more progressive as it allows the parents to transfer up to a maximum of 45 days to other people than the child's other parent – for example grandparents, stepfather/mother, sister or other relative able to care for the child⁹.

Flexible work arrangements: Nordic employers have long recognized that flexible work arrangements enhance productivity by reducing stress and allowing both women and men to

⁵ [Nordic Cooperation Labour market | Nordic cooperation \(norden.org\)](#) (2024-08-01)

⁶ Source: OECD Net childcare cost – available on <https://www.oecd.org/en/data/indicators/net-childcare-costs.html>

⁷ Source: U.S. Department of Health and Human Services (2016). 2016 CCDF final rule. Available at <https://www.acf.hhs.gov/occ/ccdf-reauthorization>

⁸ Nordics info [Childcare Infrastructure in the Nordic Countries \(nordics.info\)](#) (2024-07-05)

⁹ Swedish social insurance agency [Parents - Försäkringskassan \(forsakringskassan.se\)](#) (2024-08-01)

meet family responsibilities. Compared with the European average, Nordic workers are twice as likely to work from home¹⁰.

Individual taxation: Through individual taxation there are incentives for both spouses to work. Individual taxation promotes gender equality by treating all individuals equally, regardless of marital status, and helps reduce gender inequality by not reinforcing traditional gender roles where men are primary earners and women are secondary earners or caregivers. By removing tax disincentives for secondary earners, individual taxation supports equal opportunities for both men and women in the labour market. Additionally, basing taxes on individual income rather than household income allows for more balanced household decision-making regarding work and career choices, free from the influence of tax penalties. As a result, the practice of individual taxation creates a strong incentive for the partner who earns less to work¹¹.

Conclusion

Despite the fact that the Nordic countries have, to a certain extent, managed to grant women access to the labour market thanks to their childcare infrastructure complemented by a mix of tax, social insurance, and labour law provisions, the region still grapples with a persistent gender pay gap of an average of 12.84% in 2022, ranging from 9.3% in Iceland to 15.5% in Finland, whereas the EU average is 12.7%¹².

There are still high levels of occupational segregation, and unequal sharing of parental leave and unpaid care and domestic work. The share of parental leave taken by men varies across the Nordic countries with Iceland and Sweden having the highest male parental leave outtake of 30%. Finnish and Danish men account for 11% of their respective countries' parental leave outtake. Furthermore, women continue to shoulder a disproportionate share of childcare and household responsibilities.

This outcome shows that although childcare infrastructure is crucial for women's equal opportunity on the labour market, it is not sufficient. This confirms research indicating that entrenched gender and social norms continue to influence the division of household labour and that the relationship between relative income and household work is relatively weak and culturally dependent¹³.

The responsibility for addressing these issues should ultimately fall on the State through governmental policies, incentives (notably on paternity leave and its take-up, the deconstruction of gender stereotypes, etc.), or mandated equal sharing of responsibilities (shared parental leave, corporate culture, etc.). Both the Nordic governments and the EU have recognized the need for such measures to advance substantive gender equality¹⁴.

Still, the example of Nordic Countries also shows the limitations of patching an economic system that was conceived by men, based on a male-breadwinner model. It shows that we need more profound system change.

¹⁰ Nordic Information on Gender (NIKK) (2019) The Nordic Gender Effect at Work: [The-nordic-gender-effect-at-work.pdf \(gu.se\)](#)

¹¹ Bettio, F., Verashchagina, A. (2009) - Fiscal system and female employment in Europe

¹² [Gender pay gap statistics - Statistics Explained \(europa.eu\)](#) (2024-08-01)

¹³ Lichard, T., Pertold, F., Skoda, S. (2020). [Do women face a glass ceiling at home? The division of household labor among dual-earner couples \(cerge-ei.cz\)](#)

¹⁴ See for example the Work-life balance for parents and carers directive and the European commission's Gender Equality Strategy 2020-2025

Many governments have made commitments to gender-responsive budgeting – defined as the “gender-based assessment of budgets incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality”.¹⁵ A few countries even have enshrined gender budgeting in their legislation¹⁶. The EU has also committed to develop a methodology to measure gender equality relevant expenditure at programme level in the Multiannual Financial Framework 2021-2027. However, gender-responsive budgeting implementation has been slow and the effect limited.

Lastly, a few governments from the region – namely Canada, Finland, Iceland, Scotland and Wales, have embraced the concept of a well-being economy¹⁷, i.e. an economy that serves the sustainability of life. They have started to transform their economic and social systems, questioning the GDP growth narrative, and have committed to prioritising the wellbeing of people and the planet.

Box 2: The Wellbeing Economy Government Partnership (WEGo)

The governments of Canada, Finland, Iceland, Scotland and Wales, along with New Zealand, are members of WEGo, a collaboration of national and regional governments interested in sharing expertise and transferrable policy practices to advance their shared ambition of building Wellbeing Economies. Each of these governments have defined their own set of wellbeing indicators to guide and monitor policymaking.

Gender equality is indeed part of the wellbeing economy programme, as it is a precondition for social sustainability, and it is probably no coincidence that all these governments are among the most advanced in this area. Also significant: Finland has reduced poverty from 12% in 2010 to 6.5% in 2020¹⁸, while Canada's life satisfaction scores improved from 7.5 to 8.2 between 2015 and 2020¹⁹.

Feminist economists have long denounced the inadequacy of GDP, which ignores both unpaid care work and environmental damage, as an indicator of progress. It is also now clear that our current economic system based on the narrow and obsessive focus on endless GDP growth and the race to short-term profit is at the root of the multiple and interconnected crises we face, beginning with climate change. Transforming to a wellbeing economy means turning these objectives around and instead prioritising the wellbeing of both people and the planet - and the care work behind it.

If more countries swiftly adopt the principles of a wellbeing economy, the benefits for humanity and the planet will be profound. People would experience improved mental and physical health,

¹⁵ This widely accepted definition stems from the Council of Europe, Gender Budgeting - Final report of the Group of Specialists on Gender Budgeting (EG-S-GB), 2005 - <https://rm.coe.int/1680596143>

¹⁶ For example: Austria, Belgium, Italy, Portugal or Sweden - source:

https://commission.europa.eu/system/files/2022-12/Opinion_gender_mainstreaming_national_budgets_2022_EN.pdf

¹⁷ See <https://weall.org> and <https://weall.org/wego>

¹⁸ Source: https://stat.fi/til/tjt/2020/03/tjt_2020_03_2021-12-16_tie_001_en.html

¹⁹ source: <http://www.statcan.gc.ca>

greater social equality, and enhanced quality of life. Additionally, environmental sustainability would lead to healthier ecosystems, reduced pollution, and a more resilient planet. We must encourage other countries to adopt this model (as per SDG17). By highlighting success stories, emphasising long-term economic and human benefits, encouraging global cooperation, integrating wellbeing indicators into policies, for example using models like the Genuine Progress Indicator (GPI)²⁰ or OECD's Better Life Index²¹, and mobilising public support through awareness campaigns, we can advocate for a global shift towards a wellbeing economy.

In this sense, we welcome the commitments that UN Member States made at the September 2024 Summit of the Future with action 53: *'We will develop a framework on measures of progress on sustainable development to complement and go beyond gross domestic product.'*²² It is an important first step that must be urgently taken and lead to major system changes.

The time to act is now, to ensure a sustainable, gender equitable and thriving future for all.

Gaps and challenges

The recently launched 2024 SDG Gender Index²³ confirms that many UNECE countries have stagnated or even declined on gender equality between 2019 and 2022. Key causes of stagnation and regress are linked to rising economic inequality, societal and political polarisation, shrinking of civic space, insufficient and unsustainable international financing flows alongside domestic austerity measures in some countries.

The **unequal distribution of unpaid care and domestic work** continues to impede women's access to paid work across the region. Even prior to Covid-19 women already spent up to twice as many hours performing unpaid care and domestic work tasks than men in Canada, Switzerland, the United States, Kyrgyzstan, Portugal, the United Kingdom and Belarus. In some countries like Serbia, North Macedonia and Kazakhstan, this ratio stands between 2 and 3 times, and at over 5 times in Turkey²⁴. In addition, less than 20% of UNECE countries have conducted time-use surveys to measure unpaid domestic and care work since 2015, although they all have committed to measure it as the indicator for target 5.4 of the 2030 agenda²⁵.

The ageing of the population, which affects most countries of the region, is driving a **looming care crisis**, as health and care needs for older persons increase. However, even when remunerated, care work is mostly done by women and remains undervalued and underpaid; it is also highly racialized and dependent on migrant workers.

²⁰ https://en.wikipedia.org/wiki/Genuine_progress_indicator

²¹ www.oecdbetterlifeindex.org

²² Pact of the future: https://www.un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf

²³ <https://equalmeasures2030.org/2024-sdg-gender-index/>

²⁴ Source: <https://w3.unece.org/sdg2022/story-1.html>

²⁵ Source: <https://w3.unece.org/sdg2022/story-1.html>

Women's **access to decent work** has worsened in many countries, and women's labour force rates have stagnated or declined. The quality of the jobs has been deteriorating, with stronger work pressure, reduced social protection (including maternity protection, sick leave, etc.), and limited opportunities for career development. What's more, jobs have become more precarious, women continue to dominate part-time work, or choose entrepreneurship and unprotected freelancing for the flexibility it can bring – all situations which limit social benefits such as access to healthcare benefits and pensions.

In addition, when they exist, **minimum wages** are often not a '**living wage**': they are inadequate to cover the actual – and rising – costs of living. In the context of conflicts, the situation is even worse: in the Ukraine, women's economic vulnerability has increased significantly as 47% of women lost their monthly income partially or completely - in particular in the agricultural sector where women's labour force participation was high²⁶.

Box 3: The Transformation of the Labour Market in Ukraine

Two years into the war in the Ukraine, the presence of internally displaced people (IDPs), forced migration abroad, and the mobilisation into the Armed Forces of Ukraine, which includes mostly men, have led to a shortage of labour in Ukraine²⁷. Many IDPs are particularly vulnerable: pregnant and breastfeeding women, older persons, persons with disabilities or chronic illnesses, and people directly affected by violence. More than 60% of heads of households surveyed are accompanied by children. Over 53% of IDPs are women²⁸.

Ukrainian businesses began to more actively involve women in work, seeking to minimise the risks of losing employees to mobilisation into the army. Although there is no legal basis for the division of professions by gender in Ukraine, stereotypical thinking about suitable work for different genders persists. Currently, there is a trend of more women being employed in positions traditionally considered male.

The most important factor mentioned by almost 90% of the interviewed IDPs is low wages and inconvenient work schedules, especially for women with children. Even among those who are employed, 6% cannot meet their basic physical needs for food and clothing, and 51% of the surveyed IDPs note that while their salary at the new place is enough for food, it is difficult to afford clothing²⁹.

Women who have suffered from domestic violence, are in a risk group, or are in difficult circumstances. The career and business hub "VONA" operates under the auspices of the United Nations Population Fund (UNFPA) in Ukraine³⁰. Since the beginning of the invasion, the hub, which provides assistance at all stages of finding a job or starting a business, has also been joined by those affected by the war—such as forcibly displaced persons and low-income women.

²⁶ See p17 FAO Ukraine country profile <https://openknowledge.fao.org/server/api/core/bitstreams/bcb75dae-370f-491f-be76-1f1d1ff06224/content>

²⁷ See <https://www.dw.com/uk/ak-zinki-zaminuut-colovikiv-na-rinku-praci-v-ukraini/a-68037179>

²⁸ Source: <https://ukraine.iom.int/news/almost-65-million-people-internally-displaced-ukraine-iom>

²⁹ See https://www.ukrinform.ua/rubric-society/3847607-majze-80-zinok-zi-statusom-vpno-aktivno-pracevlastovuutsa.html#google_vignette

³⁰ See <https://vonahub.org.ua/>

Due to the war, there is limited opportunity to collect comprehensive statistical data, resulting in restricted access to official statistics from the State Statistics Service of Ukraine. Regarding gender issues and the position of women in the labour market, the latest official statistics are provided by the [State Statistics Committee of Ukraine for 2021](#)³¹. No new statistical reports have been officially released since then.

The **Gender Pay Gap (GPG)** remains high: women in the ECE region still only earn 82 cents for every Euro earned by men³². In a country like France, the average gap in hourly wages in the private sector has remained at around 20% since the mid-1990s, and it is now recognized that it is mainly due to maternity³³, although France has a good childcare system, which allows women to return to their workplaces sooner than in other more conservative countries of Europe. Even in an egalitarian country like Sweden, the GPG is still at 9.9%, and hasn't changed much since 2019³⁴. With work interruptions also usually due to maternity, this GPG translates into even larger pension and wealth gaps.

As a result, **women's financial independence** remains elusive: an estimated 21% of women in couples aged 18-64 in the EU in 2019 lived with a partner who is the single earner, compared to 6% of men in this position³⁵. And in a country like the Netherlands, 44% of women are financially dependent either on a man's income or on social welfare. Women's lack of financial independence and differences in income affect women's investment opportunities and contribute to men owning more than women³⁶.

Women continue to face barriers in **entrepreneurship or in reaching company leadership and/in ownership**. In particular, discriminations in access to fundings for starting new businesses or owning your own business hinders women's entrepreneurship³⁷.

Box 4 : Patriarchal backlash - a challenge also in the economic sphere

A patriarchal backlash refers to a reaction against the advancements made in gender equality, aiming to restore or maintain traditional male dominance. This backlash, which has intensified in recent years, manifests in various spheres of life, presenting significant challenges for women.

Social and Cultural Backlash in representation of women in the media

Media plays a critical role in perpetuating patriarchal values by reinforcing negative stereotypes about women and feminists. This includes the portrayal of career-oriented women as neglectful mothers, or feminists as radical and unreasonable. Such portrayals discourage women from

³¹ Source: <https://www.ukrstat.gov.ua/>

³² Source: <https://unece.org/snapshot-gender-equality-unece-region>

³³ Source INSEE, France: <https://www.insee.fr/fr/statistiques/4253041?sommaire=4253159>

³⁴ Source: <https://www.mi.se/app/uploads/Gender-pay-gap-2022.pdf>

³⁵ Source: <https://eige.europa.eu/sites/default/files/documents/financial-independence-and-gender-equality.pdf>

³⁶ [Why isn't ownership equal between men and women yet - English - WEB.pdf \(website-files.com\)](#)

³⁷ [Firms with female participation in ownership \(% of firms\) | Data \(worldbank.org\)](#)

challenging traditional roles and participating effectively in the monetized economy³⁸.

Economic Marginalisation

Women often work in lower-paying, less secure jobs compared to men. Patriarchal backlash can manifest through policies and practices that undervalue professions predominantly occupied by women, such as nursing, teaching, and domestic work, thereby marginalising women's labour, perpetuating economic inequality and limiting women's financial independence.³⁹

The way forward

The fact that even the most so-called feminist countries are no longer making progress towards economic equality for women raises questions. In the end, the policies and measures that are introduced only patch an economic system that is fundamentally not made for women. In addition, crises, in particular those related to wars and conflicts as well as climate change related weather disasters, reduce and/or divert public funds, which could be invested in social protection and public infrastructure and services, which are vital to support women's economic empowerment.

It is therefore urgent to address these **2 systemic causes of economic inequality for women**:

- **Mobilise efforts to restore just and long-lasting peace** and strengthen women's leadership in multilateral governance.

Leaders and governments have the responsibility and duty to prioritise the rights and wellbeing of people over profits and corruption, beginning with the human rights of children and women in all their diversity, and to create equitable societies where resources are directed toward gender equality, sustainability, environmental protection and the common good.

It is unacceptable to spend billions on wars that are devastating lives, economies and the environment.

- Recognize that **our current extractivist, neoliberal, and patriarchal economic system**, which ignores women's unpaid care work and environmental degradation, is at the root of gender inequalities and many of our crises (beginning with climate change and ecosystem destruction, which must be addressed urgently).

Transition to a **feminist, sustainable and inclusive wellbeing economy** centred on care, education and the protection and rehabilitation of natural ecosystems.

It is urgent to change the paradigm in all economic thinking and policy making, move beyond the GDP growth narrative, neoliberalism and profit maximisation economics, and:

- 1) **redefine 'the economy' - it is not only about GDP - and its main purpose**
- 2) **transform all our economic and social systems at every level so that they first serve human rights and the wellbeing of people and nature in a sustainable and inclusive manner**

³⁸ Banet-Weiser, S. (2018). *Empowered: Popular Feminism and Popular Misogyny*. Duke University Press.

³⁹ Folbre, N. (2001). *The Invisible Heart: Economics and Family Values*. New Press.

Recommendations

Short-term:

- Implement **comprehensive accessible affordable quality childcare policy** to allow women to choose if and how they want participate in the monetised economy
- **Mainstream gender in all economic policy making**, including when providing subsidies to the private sector. In particular, strengthen the implementation of **gender-responsive budgeting**, ensure its implementation at all levels of the revenue and expenditure cycles and the related policy and program changes, and monitor its impact

Medium-term:

- **Address the inequitable distribution of unpaid care and domestic work as a root cause of economic injustice and poverty for women:**
 - recognize and support unpaid domestic and care work by restoring and expanding public infrastructure and services (in particular accessible quality universal childcare) and social protection floors, which were cut or privatised under neoliberalism capitalism
 - Promote a more equitable distribution of unpaid care and domestic work, first between men and women (e.g. through deconstructing gender stereotypes and providing attractive paid paternity and shared parental leave), but also across society, with every stakeholder – including the private sector – taking their share of responsibility and costs
 - Recognise and address the care-induced motherhood penalty to reduce the Gender Pay Gap and other economic gaps
 - Challenge the male breadwinner model: employers should adapt to the realities of women and household caregiving work and responsibilities – not the other way around
 - Develop the care economy and finance it properly to ensure adequate living wages for care workers
 - Invest in and mandate comprehensive time-use and labour market surveys that are gender-disaggregated to better inform policy decisions and track progress on gender equality in the workforce
- **Support women entrepreneurship and business ownership** and frame it as an investment. Studies show that female-led companies generate wider economic, social and environmental benefits⁴⁰. In particular:
 - Introduce financial literacy in the school curriculum and Increase financial literacy at all levels throughout women’s and girls’ lives
 - Ensure equal access to financial resources and services

⁴⁰ Source: [Support for female entrepreneurs: Survey evidence for why it makes sense \(eib.org\)](https://www.eib.org/en/knowledge/publications/2023/support-for-female-entrepreneurs-survey-evidence-for-why-it-makes-sense)

- take a 50/50 perspective: 50% of board members should be women. State/national owned businesses should act as role models
- Implement **national tax reform and address tax evasion and off-shore tax havens** to ensure that everyone is paying their fair share of taxes and fees, including rich individuals and national and international corporations. This would contribute to increasing national budgets and reducing inequalities, including gender inequalities, and increase fiscal space to properly publicly finance health, social protection, care and education instead of relying on the market for basic services, which are particularly essential for women
- **Support the UN Framework Convention on International Tax Cooperation for global tax justice**

Box 5: the case for wealth-related taxes

Secrecy jurisdictions and Illicit Financial Flows (IFFs) enhance illicit financial practices such as profit shifting, tax avoidance, and 'bleeding' vital sustainable resources from countries that could be used to fund social protection and public services. Both are also used by criminals and corrupt elites engaged in money laundering and trafficking of women and girls⁴¹. The secrecy policies enable elites, multinationals (MNCs), and the corrupt to avoid financial regulations and taxation.

A **wealth tax** is a tax based on the market value of the assets of a citizen or tax payer. But a tax system can also tax - or fail to tax - wealth in other ways.

For example, Canada's tax system is well known for its deeply unfair preferential treatment of income from property and investment compared to income from wages. One way this plays out is the treatment of capital gains, profit made by selling capital assets that have increased in value, like business shares or investment properties⁴². Until recently, only half of such income from property and capital gains was included as taxable income. In the most recent 2024 Federal Budget, an increase of the inclusion rate from one-half to two-thirds for corporations, trusts, and gains over \$250,000 for individuals was announced – a modest but necessary step in making Canada's tax system fairer⁴³. Obviously, wealthy Canadians objected to this tax, but this is a small and necessary step towards tax justice in the country.

The OECD has a comprehensive report outlining the case for the use and expansion of different wealth taxes in member countries. It also acknowledges that there is a growing wealth gap and growing inequalities in member countries. Furthermore, it argues that while in the past many OECD countries had wealth taxes, in recent decades the number of countries with wealth taxes has declined substantially. It outlines the case for a wide array of wealth taxes⁴⁴.

⁴¹ For additional information see the following documents: <https://ripjar.com/blog/the-link-between-human-trafficking-and-money-laundering/> and https://www.unodc.org/roseap/uploads/documents/Publications/2023/TiP_for_FC_Summary_Policy_Brief.pdf

⁴² Canadians for Tax Fairness, <https://www.taxfairness.ca/en/resources/reports/productivity-and-capital-gains-inclusion-rates>

⁴³ Ibid.

⁴⁴ See the 2018 OECD Report, The Role and Design of Net Wealth Taxes in the OECD. https://www.oecd.org/en/publications/the-role-and-design-of-net-wealth-taxes-in-the-oecd_9789264290303-en/full-report.html

Action should be taken to raise all tax revenues with truly 'progressive' rates that base tax liability on the factual ability to pay by those with low incomes and by those with high incomes by applying robustly graduated tax rates in all direct personal and corporate taxes on income and wealth, which can clearly ensure that all, including multinational corporations (MNCs), pay their fair share.

Critically, it is also important to ensure that national and regional tax and financial secrecy policies do not contribute to large-scale tax abuses in other countries and do not favour wealthy countries, corporations or wealthy individuals, and that national, regional and international tax policies support the fair distribution of global taxing rights and establish publicly available data to tackle illicit financial flows (i.e. tax evasion and tax avoidance).