

# Philippines: #TaxJustice for Women's Rights

Thursday 9 March 2017, by [FDC Women Committee](#) (Date first published: 8 March 2017).

**In commemoration of the International Women's Day, the FDC Women's Committee launches the campaign on Tax Justice for Women's Rights. Below is the press statement.**

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## PRESS STATEMENT

March 7, 2017

'BUWIS NA DI MAKATARUNGAN, PASAN NG KABABAIHAN.  
PAHIRAP SA MAMAMAYAN!'

**TAX INJUSTICE, A BURDEN OF WOMEN. IMPOVERISHING THE PEOPLE!**

The FREEDOM FROM DEBT COALITION Women's Committee launches the campaign on #TaxJustice for Women's Rights and joins the Global Alliance for Tax Justice in countries around the world a day ahead of the celebration of International Women's Day (March 8<sup>th</sup>). The FDC Women Committee, holding its women's day action in front of the House of Representatives to call for Tax Justice and Gender Justice, as it engages the legislative for Gender Responsive specific provisions on the proposed tax reform bill.

Globally, tax avoidance and tax breaks to big businesses cost developing countries hundreds of billions of US dollars every year - that could go a long way to transforming the lives of women and girls around the world. In the Philippines, more than US\$410 billion flowed illegally into or out of the Philippines between 1960 and 2011—reducing domestic savings, driving the underground economy, and facilitating crime and corruption[1]. Over the 52-year period studied, the GFI report found that the Philippines suffered US\$132.9 billion in illicit financial outflows from crime, corruption, and tax evasion, while US\$277.6 billion was illegally transferred into the country, predominantly through the misinvoicing of trade transactions that cost the Philippine taxpayers at least US\$23 Billion in customs revenue since 1990. An estimated 25% of value of all goods imported into Philippines goes unreported to customs officials.

These revenue loss that would have been used to help reduce violence against women and girls, provide universal access to public healthcare, ensure more girls get a quality public education, and support women's economic equality and reduce their unpaid care work

## **Tax, public services and women's rights.**

The proposed tax reform bill of President Duterte's administration, also known as the Tax Reform for Acceleration and Inclusion (or TRAIN), continue to follow a regressive taxation scheme that will ultimately redound to more hardships for women. As the DOF plans to offset lower taxes paid by the wealthiest Filipinos by increasing taxes on the poor majority. The poor will suffer higher prices from

value-added tax (VAT) being charged on previously exempt items, higher excise taxes on petroleum products, and a new sweets tax —the 12% VAT will be charged on the widest range of consumer items in the country's history with exemptions on just very few necessities like raw food, education and health; consumers will pay Php163.4 billion more for the same goods and services. With higher excise taxes of Php6-10 per litre or kilogram on diesel, LPG, kerosene and the entire range of oil product prices, consumers will pay Php178.2 billion more when they buy oil products or pay for correspondingly more expensive goods, services and transport fares. A new sugar excise tax starting at Php5 per kilogram will increase the prices of sugary foods, fruit drinks, sodas, sweetened tea and coffee, sports drinks, and other sweetened products costing consumers to pay Php18.1 billion more for the sugary products they buy.

Even as women balance their meager incomes, or what is left of it minus the taxes, the proposed lower tax rates for personal income will be eaten off by higher prices of essential goods and services, because the revenue deficit from the lower tax rates will be taken from increased excise taxes on oil and petroleum and the removal of VAT exemptions for certain sectors.

"We've reached crisis point. We've joined this campaign because the rights of women and girls in the Philippines and around the world are being threatened by discriminatory global, regional and national tax policies," says Malou Tabios-Nuera, FDC Women Committee Head. These current practice on taxation enable multinational corporations and the very rich to, in many cases, get away with not paying their fair share of tax. This denies our national budget of a key source of funding for public services, such as healthcare, education and clean water, that is critical to realising women's rights and gender equality", FDC Women Committee deplored. But the people need vastly improved public and economic services. This should be financed by those who have already accumulated so much and not by those who have so little as it is, said the group.

### **Tax injustice is sexist.**

Women account for the majority of the world's poor. In addition to being disproportionately harmful to women and girls, current tax policies are also generally more beneficial to men. The majority of the 'savings' that are made when countries cut personal income tax, don't tax income from investments, provide tax breaks to multinational corporations, or turn a blind eye to tax avoidance and evasion, are made by men. The Philippines raised the rates of tax on consumer goods to compensate for revenues lost through cuts to tax rates for corporations and the wealthy elite. This places an unfair tax burden on women as they spend a larger portion of their income to buy basic goods.

Even as vastly improved public and economic services are urgently needed by the people, this should be financed by those who have already accumulated so much and not by those who have so little as it is, FDC Women Committee reiterates. The rich relieved while the poor, majority of which are women, continue to be burdened further with the tax reform package consistently regressive and that will relieve the richest and big corporations.

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**The FDC Women Committee**

