



The project is funded by the European Union



The project is implemented by Center for Economic Analyses



Title of assignment:	Discussion paper – Gender and taxation policy issues and recommendations
Project:	NEAR-TS/2019/413-704, <i>Tax responsibility project, – Towards civic responsibility and responsible tax funded by the European Union and implemented by CEA.</i>
Contracting authority	Center for Economic Analyses Skopje / Центар за економски анализи Скопје
Expected Starting Date:	22/11/2021
Expected End of the Assignment:	15/12/2021 or latest one month after the contract signing

TERMS OF REFERENCE

1. BACKGROUND INFORMATION

1.1. Country background

In most countries, raising said revenues requires an efficient, effective tax system. But standard policy measures for improving taxpayer compliance/tax morale – such as reforming legislation and administration – may not be enough. They may also be time-consuming or infeasible due to technology infrastructure, limited resources, and political constraints. A thorough understanding of human behavior and how individuals interact with policies and programs can provide creative and cost-effective solutions to these challenges. This policy note provides evidence from World Bank field experiments that consider the social, psychological, and economic factors influencing taxpayer decision making. Complementary studies from some countries demonstrate how context specific, behaviorally informed messaging can offer an immediate, low-cost solution to bureaucratic and technological barriers.

Interventions that consider human behavior, help individuals better process information, make decisions, and submit their tax declarations accurately and on time, and help tax administration officials improve the way they do their job. Behaviorally informed policy emphasizes the importance of context for decision making and behavior. It examines the social, psychological, and economic factors that affect what people think and do. It addresses details in bureaucracies, technologies, and service delivery that are often overlooked in standard policy design, but that can dramatically influence the effectiveness of development programs and projects, especially in low income contexts. Behaviorally informed policy can provide creative solutions to difficult challenges, often at low cost.

In order to determine the drivers of tax responsibility the counteracting authority (CEA) has piloted testing through behavioral interventions in several local communities in North Macedonia thus now collects the raw data on the effects of the value of collected local taxes. In order to determine the results it needs an analysis of the effects overall and based on specific determined characteristics of the taxpayers and the effects on the tax morale.

1.2. Current situation

The tax to GDP in North Macedonia for two decades is around/or below 17% of the GDP, as compared to the EU countries which is 25%-50%. The structure of the tax mix indicates that it is constant through time and that that the indirect tax are predominant i.e. 80% are consumption taxes (VAT) while in EU this is inclined to a higher degree towards the personal taxes. Furthermore, the EU average contributing factor of tax evasion (indirect taxation and self-employment activities) has been estimated to be a result of tax morale of 14.5%., or another study states that the average tax evasion on an EU level is 12.3% of GDP or the median 9.9%.

With this analysis on GENDER and TAXATION we want to explore further the gender differences in tax compliance related but even more the policy aspects for possible so called gender based taxation as a relatively new policy as one approach to closing the gender gap.

The policy discussion on the issue is expected to have additional value for policy discussion and debate, as to the already developed Tax Project outputs: Analysis of the factors of tax morale and Tax morale in the Republic of North Macedonia - Profile of taxpayers.

For quite some time gender equality and taxation have been key topics in the development policy debate on public finance, financing for development and as well in the debate on the responsibility of the government towards its citizens. Gender equality and women's empowerment is a development goal in its own right (third Millennium Development Goal). The importance of gender equality and taxation, taken individually, has been widely acknowledged but are rarely discussed together, and the potential and existing links are not often subject of development.

In order to promote sustainable economic growth, poverty reduction, the efforts must ensure that policy interventions in the area of taxation do not negatively affect desired outcomes in the area of gender equality. (for example efforts for increased female labor force participation may be discouraged by tax policies unrelated to gender issues; it may as well be that a government revenue collection have a different impact on women and men). Therefore, mainstreaming a gender equality perspective into tax policy analysis can improve the quality of public policy, and in order to be able to have these aspects we want to explore more details with this activity for North Macedonia.

Background: some of the former findings from the Tax project, are leading to the need for further discussion. Namely:

- Women consider themselves less informed and experienced about the taxes collected at both central and local level. Women in North Macedonia are more disciplined in voluntary fulfillment of tax obligations than men.
- The higher tax compliance among women may be partly explained by the gap between men and women in the labor market.
- Based on results from the behavioral insight approach (by sending letters to the non-compliant tax payers in the three pilot municipalities the results were contradictory, namely regardless of the message, 7.8% of women fully paid their overdue tax liabilities for property tax, while 10.5% of men. Women with partially lower intensity than men are affected by communication messages regardless of the message. Nevertheless, it should be noted that the number of women in the sample, based on the actual distribution of property ownership by gender, is significantly lower, (14% are female and 86% are male tax payers with tax liabilities overdue).

2. OBJECTIVE & EXPECTED RESULTS

2.1. Objective and purpose

The overall objective of the assignment is in accordance with the different attitudes based on citizens' perception and from the pilot testing, aims to define the reasons of such behavior and to find the gaps in gender taxation.

Specific objectives of the assignment

Considering the nature of the tasks and the responsibilities, the researcher/s that would be selected should conduct their work as following:

- Review available international literature and policy papers regarding gender and taxation including the trends in public finance policy frameworks
- Review and consider the gender tax behavior results from the list of tax project outputs and use the data bases from the national survey and the pilot testing in the municipalities
- Provide insight for the gender realities in North Macedonia based on the available statistics and discuss the tax policies from a gender perspective in North Macedonia
- Provide recommendations for gender tax policy

3. KEY DELIVERABLES

The following deliverables should be submitted to the Project:

- Prepared discussion paper on the subject of tax and gender inclusive of the background analysis as described in the objective section.

The deliverable should be in draft form initially and then after discussion with the project finalized and submitted as final paper

4. NEEDED QUALIFICATIONS AND COMPETENCY

4.1 General Requirements

- Excellent command of English, both written and oral;
- Fully computer literate and advanced knowledge of excel analytical tools;
- Strong analytical and report writing skills
- Sensitivity and respect of ethnicity, religion, gender and culture.

4.2 Specific requirements

- Education in the relevant field (at least bachelor studies in economics, or other social sciences) higher education level is an advantage
- At least 5 years of professional work and expertise in tax related policy issues the field of economics.
- Technical expertise (experience in social science research, design, implementation of analyses), relevant longer professional experience is an advantage
- Strong analytical skills and report writing skills
- Experience in tax management and tax analyses
- Advanced knowledge of the tax system in Macedonia
- Experience in conducting researches and analyses

5. LOCATION

Concerning North Macedonia, location of provider not relevant.

6. DURATION

The assignment should be completed by the 15th of December 2021:

7. LOGISTIC SUPPORT

The Project Staff will provide necessary material preceding the assignment as outputs of the project inclusive of any data bases necessary.

8. PAYMENT

The engaged expert/s will be paid after conducting the tasks, and after the assignment is fully accepted and approved.

9. BUDGET FRAMEWORK

The expert/s can bid for the assignment with anticipated duration in days and daily fee. The assignment is not divisible

10. APPLICATION

Interested candidates should submit a CV along with the financial bid in the format given in addition to this letter, to following contact: ceorgmk@gmail.com or to CEA's office address Bul. Jane Sandanski No. 63/3, Skopje via post or in person.

11. CLOSING DATE FOR APPLICATIONS

November 19th, 2021, 16:00h

12. SELECTION

Only selected applicant will be contacted and the Contractor keeps the right to select more than one researcher for the assignments or not to select any candidate.