

GA3 – Social, Humanitarian and cultural

The question of the ‘pink tax’



Forum:	General Assembly 3
Issue:	The question of the 'pink tax'
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Position:	Chair and deputy chair

Introduction

"We are being taxed for being women," - Cristina Garcia

Pink tax refers to the extra price women have to pay for products and services, which have been specified for their gender or for their needs. Products such as tampons and pregnancy tests are taxed under a luxury tax and are classified as "non essential". Only governments impose this tax, another major issue related to the pink tax is gender pricing and this is done primarily by major corporations as well as small businesses. It is important to note that the pink tax is a tax that is imposed by governments and not by companies. Companies are however affected by this tax and are therefore more inclined to price products differently based on the difference in the tax that the government imposes.

Definition of Key Terms

Gender discrimination

Gender discrimination is the discrimination of people based on their gender identity. It is an issue present for many years but is facing more attention in recent years through a variety of feminist campaigns and movements.

Gender pricing

Gender pricing refers to pricing products or services differently based on which gender they are intended for. Under this category products and services, which are used by both genders and are identical in terms such as production costs are priced differently for different genders.



Pink tax

Pink tax is a name given to the addition of tax to products created for women feminine hygiene in certain countries. This tax has been implemented in certain countries due to feminine hygiene products being classified as non-essential items, therefore being applicable for luxury tax. This has caused a lot of outrage with the public with many arguing that feminine hygiene products are essential, and should not be taxed as if the case is otherwise.

VAT

Value Added Tax (VAT) is a tax imposed on products to take into the value the product contains above simply the raw materials used for its creation. VAT usually compensates for the costs of productions and work gone into creating the product.

General Overview

Government involvement

It is important to remember that only governments impose the pink tax. Governments influence the pink tax by taxing imported goods. For example, the tax on imported clothing for men is 11.9 percent on average, compared to 15.1 percent for imported women's clothing. Such taxes result in companies also having to pay more for importing and exporting such products and thus also charging consumers more.

Major corporations involvement

Despite not being responsible for pink tax major corporations have been found guilty of gender pricing most notably with the case against clothing brand Old Navy as they got charged with charging extra for women's plus sized clothing but not men's. GAP the brand that owns Old Navy, did however release a statement claiming that the products in question were made by "a team of designers who are experts in creating the most flattering and on-trend plus styles" they elaborated further by stating the products were different, stating the female clothing they were making are specifically enhanced and more difficult to create. Statements like these make it a little more difficult to assign blame because this could very well be true in this case, and issues like this therefore require more research.

Involvement of small businesses



Small businesses also seem to impose specific pricing on women for services. Examples include haircuts or dry cleaning both these services seem to be more expensive for women despite the fact that the skills and costs of performing these services seem identical.

There is no doubt that the pink tax is a significant issue which needs to be addressed seriously, however it is worth noting that if this is to be done effectively, measures need to be taken at all levels ranging from governments to small businesses.

Major Parties Involved

United States of America

America has been involved in the issue for many years now, with most notably a significant bill being passed in California in 1995, which made it illegal to gender price consumer services such as haircuts and dry cleaning. More recently, the United States have been actively assessing the situation of the pink tax with most notably the involvement of the New York City Department of Consumer Affairs. The New York City Department of Consumer Affairs launched a large scale survey in 2015 and compared over 800 products from 90 brands, concluding that women on average pay 7% more for products which are comparable to those of men. Further significant action such as Punishing MNC's for gender pricing has not been done because of fears that it would have a negative effect on their economy by demotivating MNC's from trading with them.

United Kingdom

Similarly to the USA, the UK has also taken measures to reduce gender pricing within their country with Supermarket giant "Tesco" halving the prices for women's razors to be the same price as men's razors. Small initiatives such as this within a country help in raising awareness of gender pricing and acts such as these by large corporations help in motivating smaller businesses to follow in their footsteps. This movement has also helped motivate consumers in other countries such as Australia to speak up against gender pricing and the pink tax. The government similarly to the USA, despite recognizing that this is a serious issue is reluctant on taking significant action against pink tax as they are not certain what consequences that would have on their economies. They fear that imposing stricter import and export regulations would result in making their country less attractive for Multinational Corporations. There is clear resistance against the Pink Tax in the UK with over 125,000



people in the UK signing a petition to overturn the unfair tax in 2015. It should be noted that the UK has made some reform on this law throughout recent history, with its current 5% taxation rate 12.5% lower than it was in the year 2000 after a campaign by Labour MP Dawn Primarolo. The UK recently pushed for a vote to change the EU's classification of feminine hygiene products as luxury goods. This vote led to a decision that EU member states have permission to charge as little as they want, potentially opting out of the tax, for luxury tax on the aforementioned goods.

China

China has good intentions in combatting Pink tax and has recognized the importance of doing so. However, similarly to the USA and UK, they fear losing business in their country and the effects removing the tax would have on both their economy and their trade partnerships with other nations and as corporations. Furthermore, being a country with an economy primarily based in the primary sector, good relations with multinational corporations is essential to ensuring further economic growth. This is because there is a risk that altering the course of business the various multinational corporations are used to could lead to some of the multinational corporations moving to different countries who feel less strongly about such issues and continue to implement the tax. This makes international cooperation on Pink tax even more important.

Timeline of Key Events

Date	Description of Event
1959	Unruh Civil rights legislation that was passed in California which outlawed discrimination based on sex, race, color, religion, ancestry, national origin, age, disability, medical condition, genetic information, marital status, or sexual orientation.
1995	The Gender Tax repeal act aimed to eliminate the extra price women had to pay for consumer services such as dry cleaning and haircuts is imposed.
July 2010	The ECOSOC drafts the "Strengthening the institutional arrangements for support of gender equality and the empowerment of women" resolution
September 14, 2015	Gender Equality and Empowerment of Women Strategy 2016-2019 is published.



UN involvement, Relevant Resolutions, Treaties and Events

- Gender Equality and Empowerment of Women Strategy 2016-2019, (GC.16/8)
- Strengthening the institutional arrangements for support of gender equality and the empowerment of women (E/2010/L.21)
- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979
- Report on the fifty-ninth session of the CSW (E/2015/27)

The Previous Attempts to Resolve the Issue

Many countries' governments have received large amounts of backlash for the classification of feminine hygiene products as "non-essential" items. There have been a large scale protests in a variety of countries which aimed to get their governments to re-classify feminine products as essential products and retracting the luxury taxes attached to them. In some places, like Canada and Kenya, the tax has been repealed, but countries like the UK have chosen to keep the Pink Tax despite this large sense of public dissatisfaction. Many of the campaigns focus around the items that are exempt from the luxury tax, arguing that feminine products are more essential than products like "alcoholic jellies" and "exotic meats", a category which includes crocodile and kangaroo meat.

Many governments have tried to get rid of the tax, but many individual governments have had trouble removing or loosening the laws due to the trade groups that they are a part of having very specific rules surrounding how each country is allowed (and more specifically in this case, required) to tax various items available for sale.

Possible Solutions

The Pink tax issue, as with most issues cannot be solved in a day. It is not one, which needs just a quick fix but rather it's an issue that needs a change of ideology as well as principle. Companies need to understand the consequences women face through gender pricing and the fact that it is unfair that they have to pay more for identical products. Furthermore governments need to realise that it is unfair to tax essential products as luxury items.



Although this makes it sound as if the governments and corporations are wrong and have to change immediately, it's more difficult than that. The Pink Tax issue is one that goes further than Ideology and becomes more real in terms of economics. If countries were to punish other countries or companies for implementing the Pink Tax then they could lose them as trade partner. It is therefore essential that Nations cooperate to create regulations everyone is willing to follow to ensure companies are not able to avoid them by simply moving to a different nation.

Delegates who are representing countries who are interested in removing the tax on feminine hygiene products should look to try and dismantle or regulations within trade unions that stop all of the countries involved from being able to remove the tax, regardless of how the citizens and governments of those respective countries feel about the implementation of the tax.

For countries who feel they are reliant on the money that is brought in by the tax the best approach would be to look through the list of items that are exempt from being taxed, as they are considered essential items, and see if the list can be revised so that feminine hygiene items can be relieved of the tax whilst the same amount of money, if not more, can be brought in by other items that are less essential.

As with many of the issues being debated at this conference, raising awareness about an issue and campaigning around it is invaluable. With an issue like this which can be directly changed by alterations to legislation the visibility of the citizens of a nation's views is incredible important.

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