

FORUM ON TAX ADMINISTRATION GENDER BALANCE NETWORK

Newsletter - Vol. 2, September 2020

Welcome remarks from Naomi Ferguson

Dear Gender Balance Network colleagues,



A warm welcome to this latest edition of the GNB Newsletter. This has obviously been a very difficult and challenging time, but I am pleased to report that the GNB has continued to take forward its ambitious work programme, although inevitably to a slower timetable than originally planned. The GNB has also responded admirably to the previous FTA Chair's call for the FTA Networks to consider the impacts of COVID-19 in their respective areas. As you will see below in this Newsletter, together with the new FTA Chair, Commissioner Bob Hamilton of the Canada Revenue Agency, I have recently written to all FTA Commissioners on the outcomes of the GNB Champions meeting on COVID-19. This letter and attached notes sets out the collective thoughts of the GNB Champions on **some of the risks, challenges and opportunities for gender balance** arising from our recent experiences which FTA Commissioners may wish to take into consideration.

This Newsletter also provides an update on the important report by the GNB that is currently being prepared for publication, "**Advancing Gender Balance in the Workplace**". This report will showcase some of the initiatives taken by tax administrations and their respective governments to address gender balance issues. These initiatives effectively underscore the importance of addressing historical and systemic inequalities faced by women and gender-diverse people, and of creating a workforce culture and environment that respects and embraces diversity and inclusion.

You will find **three interviews with female Commissioners** – Commissioner Mercedes Marcó Del Pont of the Argentinian Tax Administration, Commissioner Katrin Westling Palm of the Swedish Tax Administration and with me. We hope these interviews, whether of Commissioners or of other inspiring people within our Network or beyond, will be a regular feature in future GNB Newsletters.

Finally, please do send us ideas for articles for future Newsletters and for our planned Annual Report, for example on interesting initiatives that you have undertaken, innovative external developments or inspiring stories.

Covid-19 and Gender Balance

The Gender Balance Network held a special meeting dedicated to the impacts, both positive and negative, of COVID-19 both in the short and longer term. Following introductory presentations by Verónica Grondona of the Argentinian Tax Administration and Kristine Stødel of the Norwegian Tax Administration, there was a lively and fruitful discussion of the responses that Gender Balance Champions had provided to a pre-meeting survey. The results of the meeting were converted into a short note which has now been sent around to all Forum on Tax Administration Commissioners under cover of a joint letter from the FTA Chair, Commissioner Bob Hamilton, and the GNB Chair, Commissioner Naomi Ferguson. Among the risks and challenges identified in the note prepared are:

- **The importance of ensuring that gender balance issues are considered in both responses to the crisis and the recovery period.** This is particularly important given that most caring

responsibilities are still undertaken by women. The note recommends a number of mechanisms for ensuring that gender issues are fully taken into account, including appropriate representation in decision making bodies, the exercise of a challenge function and consultations with staff.

- **Balancing caring and work responsibilities**, something which can create significant stress among staff. The areas identified for consideration include the importance of clear guidance for both staff and managers, possible options and supporting mechanisms for alternative working arrangements and effective communication channels.
- **Potential increases in domestic violence** in a highly stressful environment with a substantial increase in working from home. The note sets out some considerations for the administration around the provision of guidance, in particular signposting options for external help, and support for managers in identifying potential cases and how they might best assist staff in taking further steps.

The note also looks at possible opportunities arising from experiences in adapting to COVID-19. These include:

- **Possible increases in remote and flexible working arrangements**, providing more options for staff and for potential new recruits among people who may not be able to work in the traditional pattern. The note suggests that in considering these opportunities administrations may wish to ensure that an expansion of remote working does not lead to career disadvantages or to any stigma, including unconscious bias, attaching to remote workers.
- **The possibility of enhancing the evidence base and understanding of gender balance issues** through an assessment of experiences in the crisis and using this knowledge in any reforms of the tax administration during the recovery period and beyond.

The joint letter from Commissioners Hamilton and Ferguson also encourages FTA Commissioners, in addition to reflecting on the issues covered in the note, to seek wider staff and management views as to whether there are other issues or considerations that could be shared more widely across the FTA to the benefit of all. The note can be found on the FTA website: <https://www.oecd.org/tax/forum-on-tax-administration/>

Interview with Commissioner Mercedes Marcó Del Pont of the Argentinian Tax Administration (AFIP)



What role did the Tax Administration play during the COVID-19 pandemic?

The Argentine State has made a significant effort so as to maintain jobs in the private sector, to secure the income of the most vulnerable sectors, and to sustain productive activity. The different measures taken at the national level have been enhanced by strengthening the public health system. By the end of 2020, the Argentine State will have invested a sum larger than six percentage points of GDP by means of different measures. Among these, we can mention - the Labour and Production Assistance Program which provides for the direct transfers for the payment of wages to workers in the private sector; the Emergency Family Income initiative for new direct allocations to vulnerable sectors; reimbursements to exporting sectors; and credits to small and medium-sized companies.

It is worth pointing out that Argentina was in a state of deep economic crisis that began before the outbreak of the COVID-19 pandemic. This economic crisis is directly associated with the unilateral trade opening strategy as well as the financial and exchange deregulation, which privileged financial accumulation over production and led to a process of strong indebtedness without offsetting as well as to recession and greater inequality. Since this Administration took office at the end of 2019, it began retracing that path, putting in place income, tax and financial policies. A key instrument of this new strategy was the tax amnesty for SMEs launched in December last year. The coverage of this policy, in terms of beneficiaries, and tax and pension debt to be incorporated, was expanded in August this year to assist all taxpayers who originally had not been considered, as well as to alleviate the burden of debts accrued during the Covid-19 pandemic.

In order to cushion the economic and social impact of the preventive and mandatory lockdown, the Federal Administration of Public Revenue (AFIP) also took a number of measures. It extended the payment facility plans to companies; established zero rate credits for small taxpayers; implemented a refund system for debit card purchases made by members of vulnerable sectors; postponed tax due dates; postponed the filing date of various tax returns; extended the suspension of foreclosures for SMEs; and enabled new digital filing channels.

But the role of the tax administration can only be understood in context, taking into consideration the coordinated work done with the rest of the economic areas and agencies of the national government. The information and tools available at AFIP have made it possible to implement policies aimed at the most affected sectors of society, among which women occupy the main place.

COVID-19 had a greater impact on working women who also take on care responsibilities. Do you think that some decisions such as the implementation of remote working helped or worsened their situation?

The Argentine Government ordered preventive and mandatory social lockdown measures in mid-March that transformed labour dynamics. Along with remote working, it was also determined that workers performing essential activities in the public and private sectors should continue with their tasks while complying with strict care measures.

The twenty-two thousand people who work at AFIP throughout all the country, showed a high degree of commitment and dedication to the challenges posed by remote working. The AFIP, like the rest of the state agencies, took into account and implemented leaves of absence for health reasons and for the care of school-age children. Leave arrangements were also established for those who have other family members who require and are dependent on constant care. It should be noted that within its organizational structure, AFIP created the Directorate of Gender Policies and Human Rights. This policy-making Directorate, which works together with the Human Resources Directorate, promoted different measures in order to monitor the situation and support the staff.

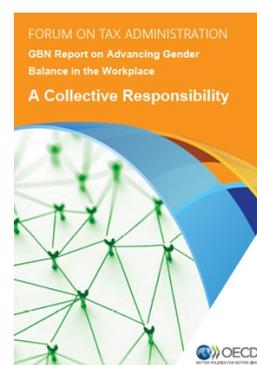
A follow-up was carried out that allowed observing and taking into account the situation of each individual official, paying special attention to their protection against COVID-19. It is also worth mentioning that the Argentine government created a Ministry of Women, Gender and Diversity in December 2019. This Ministry put in place an Inter-ministerial Care Bureau weeks before the pandemic. The AFIP is part of this Bureau. When the lockdown measures began in mid-March, this Bureau had a strategic role and it was reoriented in order to address the new challenges posed. As regards the tax administration, this resulted in:

- strengthening the link with union representatives to carry out the lockdown measures in AFIP and Social Security area, as well as to perform the essential Customs tasks (which is part of the tax administration); and
- enhancing the defense of private domestic workers' rights and securing the collection of their wages according to the agreement established with the Labour Ministry.

In view of the current situation, we have also implemented emergency measures with the aim of securing development, we are drafting structural policies for tax policy as well as the National Budget, which will both have a gender perspective.

GBN Report on Advancing Gender Balance in the Workplace: A Collective Responsibility

A draft report has been prepared, based on inputs from FTA GBN members, on policies, practices and other measures that have been adopted to improve gender balance. This report, drafted by Robina Canaran while she was with the Canada Revenue Agency, has been sent round the whole FTA for clearance to publish it as a GBN product, hopefully in November. The report is not intended to be a comprehensive list of all measures taken by GBN members. Instead, it highlights examples of selected initiatives taken by a number of GBN members in order to provide "food-for-thought" to administrations wishing to review or supplement the measures that they have already taken. The examples are set out under five categories, each within its own chapter of the report:



- **Legislations and policies** – This chapter gives examples of legislation, policies, and reforms to underscore the importance of gender equality and ensure that established requirements are consistently and systematically implemented.
- **Flexible workplace practices:** This chapter gives examples of proactive, progressive, and gender-sensitive policies and practices to eliminate employment barriers and enable both men and women to fully participate in the workplace and have equal opportunities to advance and succeed.



Playground of the in-house Child Care Facility of the Inland Revenue Authority of Singapore

- **Leadership, oversight and accountability:** This chapter gives examples of the development and implementation of national strategies and action plans to bridge the gender gap and create a diverse and representative workforce, and monitor and report on results, recalibrating efforts as required.
- **Communication and engagement:** This chapter gives examples of active communication and engagement to further the organization’s gender equality and diversity agenda.
- **Targeted initiatives:** This final chapter gives examples of deliberate and targeted efforts to maximize the recruitment, development, and retention of female staff at all levels.

It is hoped that where an administration wishes to obtain further information on particular initiatives highlighted in the report (which are obviously presented in a summary form), they will reach out to relevant GBN colleagues, either directly or through the FTA Secretariat.

Interviews with Commissioner Katrin Westling Palm of the Swedish Tax Administration and Commissioner Naomi Ferguson of New Zealand Inland Revenue



**Commissioner
Katrin Westling Palm
Swedish Tax Agency**

Could you please tell us a little about your career prior to becoming Commissioner?

I hold a Bachelor of Science in Public Administration. Since then I have worked within the Swedish Government as a civil servant in different agencies and ministries, and moved into leadership positions from 1995. I was the deputy Director-General for the Swedish Tax Agency (STA) between 2005 and 2009.



**Commissioner
Naomi Ferguson
New Zealand Inland Revenue**

Could you please tell us a little about your career prior to becoming Commissioner?

My first job was as a tax inspector with HMRC in Glasgow, Scotland - not an obvious career choice for an English Literature graduate! I moved from being a tax inspector into a head office role supporting one of the Board – this role allowed me to learn a lot about how the department worked.

Before being appointed as the Director-General of the STA 2017, I held the position of Director-General of the Swedish Pensions Agency for eight years.

How did you prepare for the role of Commissioner and what are your priorities for your administration?

I didn't always plan for being the DG of the STA! I have the feeling that nowadays, some young people tend to hurry too much. They should give themselves a little more time and focus on delivering good results on whatever position they are currently holding. That will eventually pay off and provide opportunities to advance. Content is more important than titles. As for me, I made sure to build competence not only in factual matters, but also in development and change management, which I believe is equally important. My aim is to lead in a way that supports the changes I want to achieve for the organization. In order to succeed I think it is important that the leader of the organization nourishes an interest in both strategic development and in leading people.

My priorities for the STA is to prepare the organization to adapt to the rapid changes that are required because of digitalization and globalization. Just like every tax administration around the world, the STA needs to have both the necessary technical solutions and make sure that the staff has the relevant knowledge and competence.

Turning to gender issues, what do you see as the main obstacles to achieving gender balance in the work place?

At STA we don't speak in terms of gender balance, maybe because our administration already consists of two thirds women. Rather our goal is that no one should be discriminated and everyone should have equal opportunities regardless of gender (or other grounds of discrimination), both when it comes to obtaining positions and to feel welcome and respected once you have them.

There are several obstacles for women in a world marked by patriarchy, and I'd like specially to highlight two that I think are relevant in a Swedish context:

Then into large project management including a secondment with a bank to restructure their HR function before returning to tax administration. Before taking up the role of Commissioner with New Zealand's Inland Revenue Department, I had previously spent three years working for the organisation as a Deputy Commissioner.

What achievements are you most proud of in your career? And what do you consider, from your work and academic experience, will be (are) the direction you will (are) incorporating to the Tax Administration you direct.

One of the things I love about working in tax is the important role it plays in contributing to both the economic and social wellbeing of our country. There's been a lot of achievements and milestones along the way but at the heart of it, what I'm most proud of is the people I lead and being able to support them to do a fantastic job, knowing that they are helping New Zealanders every day.

The challenge I face is about how to effectively lead a tax system, how to balance administrative and customers' costs with the tax at risk, how to encourage voluntary compliance and protect the integrity of the system as a whole. Learning to listen to taxpayers and see the world from their viewpoint has helped me to think much more strategically about leadership and the importance of looking forward to the future.

Inland Revenue is currently going through a major multi-year transformation – not just of our systems and technology, but how we work and organise ourselves too. We're around 18 months away from completing this but we're already realising benefits for our customers and for the government, who've made a major investment in us. These benefits could be clearly seen in our response to COVID-19 where we were able to respond to customer needs, and complete a major technology release during lockdown, with the majority of our people working from home. We were also able to stand up new government initiatives to support businesses who were impacted by COVID-19 in a matter of days.

Turning to gender issues, what do you see as the main obstacles that you see to achieving gender balance in the work place? Have you had direct experience of these obstacles in your own career? And what do you see as the most effective strategies to overcome these obstacles?

- **Women's lower confidence and bigger fear of failing:** In my experience women are more afraid of making mistakes, even minor ones, and don't have confidence enough to take on bigger responsibilities, even when they are perfectly capable to do the job as good as anyone else. This of course has to do with how women are raised, and we need to re-set the image of ourselves, learn that not everything needs to be 100% perfect at all times and dare to try. It is OK to fail sometimes.
- **The distribution of unpaid work and care tasks in the household:** Women in Sweden still take about 70% of the parental leave, most of the leave when children are sick and are more likely to work part time when they become parents. Women also perform a majority of the household duties and spend more time caring for children and elderly relatives. It will be difficult for women to reach their full potential at work if they do not get the same amount of time at the work place or the same amount of rest in their homes.

Have you had direct experience of these obstacles in your own career?

As for the responsibilities in the household and family, my husband and I split it equally. This, in combination with Sweden's (almost) free child care, has been essential for my possibilities to deliver at work and pursue this kind of career. When it comes to confidence, it has grown continuously as I have taken on new challenges and realized I managed them well. I also had managers that encouraged me to take these steps.

From your perspective, what do you see as the most effective strategies to overcome these obstacles and what would you like to see within your own administration?

Our leaders need to help women get over their insecurities and prevent them from setting too high standards for themselves, and rather encourage them to try their wings and see what happens. I also think our work with neutral and concrete criteria for recruitment and assessment of work performance will ensure equal outcomes.

Many feel that COVID-19 has been particularly hard on women with both work and caring responsibilities. Have particular policies such as remote working and flexible working helped, or has it made things worse for women, in terms of the expectations that are set on them?

One of the main obstacles is unconscious bias and this affects not just women but all under-represented groups. When you're working in an area like tax that has historically been male dominated, it can inevitably have an impact on decisions on selection and developing women as leaders. There are also differences in choices men and women make about their careers. We also know from research that women, much more than men, spend a greater proportion of time on caring responsibilities and can experience difficulties balancing work and family.

At Inland Revenue, diversity and inclusion is important to us and as part of our Diversity and Inclusion Strategy we're working hard to try and address these things, with an action plan aimed at addressing the key drivers of the gender pay gap. This includes breaking down barriers to gender equality by removing bias from our people practices and taking a capability-based approach to roles and recruitment and introducing more flexible ways of working, as well as trying to create a family-friendly workplace.

At IR, we've found that women do take more sick leave for dependent care and more parental leave than men. While this is not something we prescribe, and New Zealand legislation and our own policies and guidelines on this are in the most part equally applicable to all genders, women do tend to take on more of the caring responsibilities. One of the benefits though through the new technology that we have deployed, is that people can work even more flexibly. This does mean that at times, people will be able to work at home when they could not previously and over time, I think this will change the pattern we see around dependent care.

Many feel that COVID-19 has been particularly hard on women with both work and caring responsibilities. Have particular policies such as remote working and flexible working helped, or has it made things worse for women, in terms of the expectations that are set on them?

Our Gender Balance Champions across the FTA have recently considered the impact of COVID-19 on women working in tax administrations. It certainly has been challenging for people with caring responsibilities, especially in countries and regions where schools are closed and where vulnerable or elderly people are isolating and needing additional support. We know that the majority of this care - but not exclusively - falls to women and they have found it difficult not being fully available for work and the negative perceptions and stress this can create.

The Swedish pre- and primary schools never closed down during the COVID-19 crisis, which made it easier to work from home for parents in Sweden than in countries where children were home from school. Even before the crisis, employees at the STA had the opportunity to work flexible hours and remote working when possible. During the crisis, the policies and technical solutions have been reviewed to extend these possibilities. Those who lack the opportunity to work from home due to job-related or various private reasons can work at the office in a safe way, since only about 30% of employees currently work at the office premises.

Flexible work creates conditions for both efficient ways of working as well as benefits for work life balance. However, being a virtual organization also entail severe challenges with the work environment - with or without a pandemic. We need to be able to discover early signs that may lead to illness or discomfort among our employees. COVID-19 has forced us to find new ways of communicating with each other and to increase those capabilities. Since women are more subjected to sick leave than men are, this is something that, if successful, will enhance gender equality.

However, many tax administrations, including my own, have experienced increased remote working during the crisis, in some cases with working from home becoming the default for most administration staff. It's created more flexible working patterns, with staff able to more easily change start times or work later in the evening to fit their home circumstances which has helped lots of people with their work/life balance. It's also shown that working remotely doesn't mean working less efficiently. There's lots of lessons we can learn post COVID-19 about how to support each administrations' commitment to a more diverse and inclusive workplace.

FTA News

GBN members can find more information about the recent activities of the FTA by consulting the FTA website. This sets out the latest news – including this Newsletter – recent FTA publications, including those related to COVID-19, and information on FTA events. The latest FTA Newsletter, which gives an update on all current FTA projects, can also be found on the website.

GBN members may also wish to be aware that the new Chair of the FTA has recently written to all FTA Commissioners. This letter, which sets out the Chair's views on FTA priority work, also invites expressions of interest from Commissioners interested in joining the FTA Bureau. The Chair's letter notes the importance of encouraging diversity within the Bureau. (If you would like to receive a copy of the Chair's letter, please email the Secretariat at FTA@oecd.org)

Finally, the FTA Plenary this year will be a virtual Plenary for obvious reasons. A Save the Date for the Plenary (expected to be in early December) will be sent round shortly together with some proposals for how to make the Plenary as engaging and innovative as possible, working within the constraints of virtual meetings.

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Learn more on the Forum on Tax Administration:

www.oecd.org/tax/forum-on-tax-administration