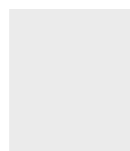


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ISSUE DESCRIPTION



COMMITTEE United Nations Entity for Gender Equality and the Empowerment of Women
ISSUE Resolving the Issue of Gender-Based Disparities in Pricing Affecting Women
SUBMITTED BY Anna Takács, Chair of the United Nations Women
APPROVED BY Vilmos Eiben, President of the General Assembly

Introduction

Throughout history, women have had limited rights and opportunities rooted in patriarchal ideologies, traditions, and the double standards society presented. Such disparities have had women excluded from education and leadership roles, facing unfair treatment in the workplace, and being treated as second-class citizens. Even though the situation has drastically improved from that of the past, women around the world still face discrimination in one way or another. One prime example of this is the so-called pink tax. This is not an actual tax, but the appellation used to describe how certain products are priced higher for the sole reason of being targeted toward female consumers. Sadly, this is not the only way women face discrimination in the market. Another phenomenon that negatively affects women is the “tampon tax”. Unlike the pink tax, this is an existing tax on feminine hygiene and period products, not being classified as basic necessities but as luxury items. As to ensure the equal treatment of women, it is crucial to discuss how these problems affect women and the possible solutions taking into account the economic and political challenges that make achieving equality more complex and multifaceted.

Definition of Key Terms

Pink Tax - Charging higher prices for products and services marketed specifically towards women, despite being similar or identical to those marketed to men.

Gender-Based Price Discrimination: According to the Office of the Attorney General and the Human Rights Commission, it is the practice of charging different prices for goods or services based on the consumer’s gender. The differential treatment usually occurs in services such as car purchases and repairs, mortgages, haircuts, and dry cleaning. Generally, women pay more than men for these services.

Gender Wage Gap - The average difference in earnings between men and women, often used to highlight systemic inequalities in compensation for similar roles or work.

Feminine Hygiene Tax (Tampon Tax) - Taxes levied on menstrual products like tampons and pads, often categorized as non-essential goods in many countries, leading to additional costs for women.

Value-Added Tax (VAT) - A tax set by the government that is added to the price of goods and services at each stage of production or sale. Businesses collect this tax from customers when they make a purchase and then pass it on to the government.

Product Genderization - Marketing strategies that assign products to specific genders through design, packaging, and branding, often resulting in price disparities.

Period Poverty - The limited access to period (a.k.a. menstrual) products due to financial difficulties.

Tariff - A tax or duty imposed by a government on goods and services imported into or, in some cases, exported from a country.

General Overview

PRODUCT GENDERIZATION

Up until the 20th century, pink was considered a masculine colour, being widely popular among boys with their female counterparts usually embracing the colour blue for it having a more gentle and feminine emanation. Since then, the world and its norms have greatly shifted, with blue being the colour for boys and pink representing girls- at least this is what society and product genderization have been telling the public. The marketing industry often uses these colour labellings or representations as part of their marketing strategy to target a specific gender with their products. By assigning specific colours to genders, companies create a sense of exclusivity and identity, which drives sales but also perpetuates stereotypes. Although this marketing trick might not negatively affect the regular everyday consumer, the price differences certainly do.

GENDER-BASED PRICING IN PRODUCTS

According to a study conducted in 2015 by the New York City Department of Consumer Affairs, women pay 7% more for products similar or identical to the ones labelled as men's products. The survey has indicated that on average, girl's toys, clothing, personal care products and senior healthcare products cost more than those of men. When comparing children's toys, we often find that these products are almost identical except for their colour. Companies try to debunk gender disparity accusations by claiming that girls' products cost more to make, but in instances like this, there has been no direct evidence that pink paint costs more than blue. Even in drugstores, razors cost approximately 11% more simply because they are marketed towards women - according to Consumer Reports (2023). However, many production companies argue that lowering the price of women's products would amount to a significant loss and employee layoffs.



TARIFFS DISPARITIES

Another reason women's products cost more is the tariffs imposed on them. Many countries historically imposed different tariff rates on clothing and footwear based on gender. These disparities often reflect outdated views on production costs or intended markets. In the case of clothing, production might cost more, due to the fine details of women's clothes, which require extra labour and time to produce. Tariffs might also be higher according to the volume of the imports. On average, there are bigger quantities of women's clothes imported due to the bigger demand, making tariffs higher.

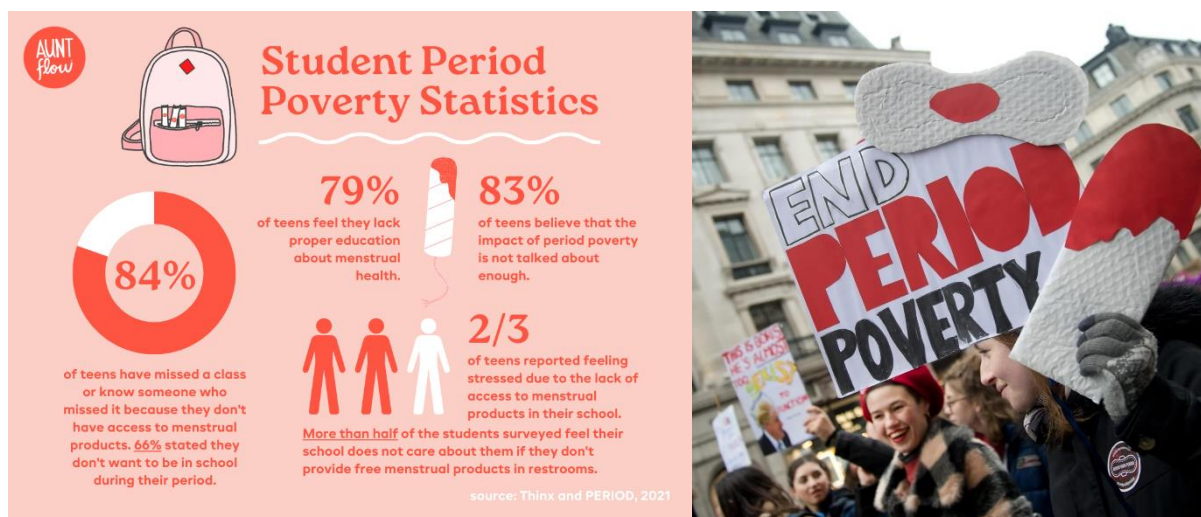
FINANCIAL IMPACT OF THE PINK TAX

Research carried out by the Co-operative Bank has found that women paid nearly 40% extra on average for their lower-cost essentials, such as toiletry products. According to a JPMorgan Chase Estimate pink tax costs women an average of \$1,300 per year, but other reports estimate a \$2,300 disparity. Over a lifetime, these numbers can add up to more than \$100,000 spent explicitly because of the pink tax. Considering the already existing wage gaps, these additional expenses worsen financial inequalities, making it even more challenging for women to achieve economic stability and parity with men. Women earn approximately 84 cents for every dollar earned by men. These inequalities result in women having to spend a larger proportion of their income on essentials - 64% compared to 53% of their male counterparts- posing challenges to achieving financial stability and independence.

PERIOD POVERTY

Even so, these are not the only financial inequalities women face. Period poverty is a phenomenon disproportionately affecting those with low incomes, particularly women and girls, who struggle to afford menstrual products and often face barriers to proper hygiene and education as a result. Over a quarter of menstruating women and girls worldwide - approximately 500 million individuals - face challenges in managing their periods, often due to the inability to afford sanitary pads, according to the World Bank. The 'tampon tax' is the phrase used to describe the VAT (value-added tax) imposed on menstrual products such as sanitary pads, tampons, menstrual underwear and many more. The Value-Added Tax suggests that the government or state views period products as 'luxury' or non-essential, making them more expensive and, therefore less accessible. For comparison, many governments abolished the VAT

on foods and beverages, healthcare services, education, housing and even public transport but not menstrual products. Those who face financial difficulties also struggle to access proper education due to the stigma surrounding menstruation and the lack of affordable menstrual products, adequate sanitation facilities, and comprehensive menstrual health education. These factors not only prevent girls from getting a proper education but make them feel ashamed of their periods. According to research done by the UNESCO one in 10 girls in Sub-Saharan Africa misses school during their period due to high prices and lack of availability. Period poverty can also be dangerous to their health, due to the risks of infections, poor hygiene practices, and the use of unsafe or improvised menstrual products. Some countries have already taken action on the issue. In 2004 Kenya eliminated VAT on sanitary pads and tampons, being the first country to do so. Ever since, Canada, India, the UK and many other countries have withdrawn VATs set on period products. Even so, many countries still have the ‘tampon tax’, preventing female citizens from accessing period products.



The ‘tampon tax’ and ‘pink tax’ are both issues caused by gender-based pricing. No woman deserves to pay more for any product than their male counterparts, let alone paying extra costs for period and sanitary products. These additional costs are not only unfair—they are a reflection of deeper societal biases that undervalue women’s needs and perpetuate inequality. By eliminating unfair taxes and pricing disparities, society can take a meaningful step toward a world where women are not financially penalized simply for their gender.

Major Parties Involved

Kenya: Kenya was the first country to eliminate the ‘tampon tax’ in 2004, recognising menstrual products as essential items. The government has also introduced free distribution of

sanitary pads in schools to combat period poverty. Even so, according to a report from the US Agency for International Development, 65% of women in Kenya cannot afford the basic necessities to manage their periods.

United Kingdom: Following its departure from the European Union in 2020, the UK decided to introduce zero VAT applying to women's sanitary products. On the other hand, women in the UK are being charged 37 per cent more on average for toys, cosmetics and clothes than their male counterparts. Girls' school uniforms also cost 12% more than those of boys. There have been many ideas and bills introduced to combat gender-based price discrimination, however, little progress has been made so far.

United States of America: The US has notable tariff disparities, with rates for women's clothing and footwear often higher than for men's items. Many states have already removed sales tax on period products, but a significant number of states still have it. In the US pink tax is also a major issue, with women paying approximately 7% more for products specifically marketed to them. In 2001, the Gender Tax Repeal Act passed, which prohibits businesses from gender-based price discrimination in services. However, in 2016 a similar idea was introduced in the form of The Equal Gender Pricing Bill. It was aimed at equally pricing consumer goods, specifically prohibiting businesses from gender biased pricing. However, the bill did not pass owing to the potential risk of litigation, since the process of identifying gendered pricing is a complicated and often ambiguous process.

Scotland: Scotland was the first country in the world to offer free menstrual products to its citizens. According to the Period Products (Free Provision) Act 2021: local authorities and education providers are legally required to make period products available and free of charge.

Canada: In 2015 Canada removed its VATs from period products as a result of a successful online petition. The country has also removed gender-specific tariffs on clothing in 2017.

Japan: Japan has retained a consumption tax of 10% on menstrual products, despite advocacy for reclassification as essential goods.

The World Bank: An international organization that has funded programs to improve access to menstrual products in developing countries. The World Bank has integrated MHM

(Menstrual Hygiene Management) into its WASH (Water, Sanitation, and Hygiene) programs to ensure that schools and public facilities include gender-responsive designs. The World Bank has also collaborated with UNICEF and many NGOs to distribute free menstrual products in low-income countries, especially in rural areas.

Timeline of Events

1994 - A report from California's Assembly Office of Research finds that women face unequal prices when paying for wash and dry-cleaning services.

1995 - The Gender Tax Repeal Act passes.

2004 - Kenya becomes the first country to abolish the 'tampon tax'.

2015 - The New York City Department of Consumer Affairs releases their study on the 'pink tax', spreading awareness on the issue.

2018 - Scotland becomes the first country to provide free period products.

2020 - The State of New York, as a part of the FY 2021 budget, prohibits businesses from charging different prices for "substantially similar" consumer goods or services that are marketed to different genders.

Previous Attempts to Solve the Issue

Since the discovery of the 'pink tax' phenomenon in the early 90's, numerous countries have recognised the issue and advocated for changes regarding the topic. These initiatives include The Gender Tax Repeal Act, New York City's Ban on the Pink Tax in 2020 and other bills that unfortunately did not pass. These bills have failed to pass mainly due to subjectivity and complexity of the problem, which make it hard to implement laws or monitor companies while ensuring fair enforcement across different industries. Despite the limited success in the legislative field, multiple cases have been published on the matter, raising awareness about the impact 'pink tax' has on females' lives. Advocacy groups and activists have launched awareness campaigns like the #AxThePinkTax - a social media campaign in the U.S. spreading information about the existing issue. As a result, women have become more conscious about the price disparities.

Following Kenya's decision to scrap VATs from menstrual products, other countries have also abolished similar taxes, including Canada, India, the United Kingdom, and Australia, setting a global precedent for menstrual equity. According to Context, an estimated number of 48 nations scrapped or cut tax on menstrual products as of 2023. Even so, many of the already mentioned nation's citizens still struggle to afford or access adequate menstrual care products, especially in urban areas. To tackle this, international organisations such as The World Bank, UNICEF or Global Partnership for Education (GPE) have all contributed to programmes to provide sanitary and menstrual products to those in need.

Although there have been efforts to solve the issue of gender-based disparities in pricing, due to its multifaceted nature, complexity, and limited public awareness there is still a lot to discuss about both 'period tax' and 'tampon tax' to eliminate price discrimination targeting women.

Possible Solutions and Approaches

There are several potential solutions to the issue if well-planned and executed. On the consumer side, boycotting overpriced products or products proven to be unfairly gendered in pricing, signalling a strong message to companies might induce actions being taken in the matter. As for governments, requiring manufacturers and retailers to justify price differences for similar products marketed to different genders could resolve the issue. A mandatory annual document providing detailed explanations of cost structures, production expenses, and marketing strategies, could ensure transparency and help eliminate unjustified price differences. Establishing frameworks to ban gender-based pricing could prevent businesses from exploiting consumers through gender price discrimination. The number of ads targeting men and women can also be monitored, and moderated. It is also vital to standardise import and export tariffs on clothing and goods regardless of gender-specific markets to eliminate embedded pricing disparities. Another implementation governments should make is the elimination of VATs on period products or reduce it as much as possible. Requiring schools and public institutions to provide free access to these products could help ensure that no one misses out on education or opportunities due to period poverty. International collaboration with other countries and NGOs could also help to tackle the issue of gender-based disparities in pricing affecting women.

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