



# PINK TAX AND GENDER INEQUALITY

Rishivardhan.KT and Gokul Priya N

BBA LLB hons, BA LLB hons

SASTRA DEEMDED UNIVERSITY, THANJAVUR, TAMIL NADU

## **ABSTRACT**

Generally, taxes are what the government charges from you but we are going to discuss in brief about the pink tax which is not the government subject but charges made by the producers from their female customers especially for the female product and services. The exact meaning and Idea behind the concept of "pink tax" is charging women more than men for the similar product and services. These variations can be noticed in several diversions like personal care products, clothing, healthcare, and beauty products. The legal system in the country facilitates the women in more ways but why they are silent about this sleeping tax issue? Does this promote equality? and will this be discussed? This is the issue that must be scrutinized by the government and addressed at the earliest.

The legal system facilitated equal pay for men and women but it failed to notify the spending of their earnings. Several countries like France Argentina and Germany took this issue serious and provided solutions and justice for women why the world's largest democracy is still in free reign mode in decision making? Equality is the basic base and structure of the country but this species of silent killer is surely differentiating and discriminating women from the more benefited men. In this article all the ideas behind the pink tax and the solution will be discussed.

*Key words:* pink tax, gender inequality, gender discrimination.

## INTRODUCTION

Have you ever gone to the store and noticed that women's products are more expensive than men's products? Is it fair to put one price for men and one price for women in products of the same quality? Many questions like this are common to everyone.

At the time when it is decided in India that to implement the GST as a one Nation tax system and a single tax system for whole country at that point of time also the tax which is levied on the sanitary pads which is been used by women is charged at 12% and this was the reason for huge protest and later this was discarded. So, the pricing of products like cosmetics personal products right from T-shirts to shoes are charged more for women so we can clearly understand that the products which are been made and marketed specially for women end up in a huge pricing than the similar product related to general one. So in this article we will discuss about a unique phenomenon which is quite important to the present scenario that is "PINK TAX"

This is an open proof of price discrimination which is made to the women for the same product and services that of men and to discuss this in a more clarified version this cannot be termed as tax expressly but it is a Pricing Model which forces the women to the disadvantage position. A few years ago, the New York State department of Consumer Affairs took an effort to examine more than 800 products and found that the products that are produced especially for women cost 7% more than those of Men's products. This difference in pricing hits up to 13% when it comes to the personal care products and it is important to know that there is no adequate research which is made on pink tax in India but it is quite an important and significant topic that has to be discussed at least now. So the pink tax is an open discrimination which is made towards women. Earlier women struggled to get equal pay same as men for similar works and now the women are in a situation to struggle for equal pricing for similar products. So the one question comes to our mind is what is the core reason for this pricing model?

## PINK TAX INDIAN SCENARIO

Men have long dominated society, with women making up the minority. The primary reason for this was that women took care of the home and kids, while men made the money. In a similar vein, they were also without rights. But as time went on, little changes began to occur. However, they are far from ideal. In the modern day, gender inequality is still a significant problem. "In India and many other countries, the pink tax is not

illegal. However, it is unfair to charge women more for the same things as males. India has not yet done anything to stop the "pink tax," despite other countries having done so.

According to study, just 23% of Indians are aware of the phrase "pink tax" and how it affects the economy of their nation. Tampons were considered a luxury, and feminine hygiene products like sanitary napkins and tampons were subject to a 12–14% GST tax. Male contraceptives, on the other hand, were considered necessary and hence free from tax.

The idea is grounded on the fact that women are held to high standards by our culture for both their interior conduct and appearance. Because they are conditioned from a young age to act or make certain decisions, women often spend more money than men do on items like clothing, transportation, self-care, and cosmetics. The Indian government just lowered the 12 percent GST on sanitary napkins in 2018 because of protestors' tenacious campaign. This would not be a case of the pink tax, as the proportion of the population that uses sanitary products during menstruation is quite tiny. It is nevertheless important to be aware of this onerous tax on basics, though, since failing to do so would only make the pink tax's unfair financial burden even more severe.

Despite an increase in the number of women in leadership roles, the wage gap still plagues them. Women pay more for goods and services than men do, although earning less overall. As a result, women's purchasing power is reduced and gender-based pay equality is increased in India due to the pink tax. Furthermore, exorbitant costs exert pressure on women to conform to specific standards of beauty and influence society norms. Living below these expectations could lead to depressive, anxious, and lonely sentiments. Several international governments have acted proactively to counteract the pink tax and lower the cost of goods for women. The position that India will take on the matter is unclear, but both men and women need to be more conscious of the pink tax concept.

### **PINK TAX IN GLOBAL CONTEXT**

According to the Global Gender disparity Report 2022, there is a 19% pay disparity in India between men's and women's earnings for the same amount of labor or responsibility, particularly in the agricultural sector,

where women perform 80% of the work. The disparity spans from agriculture to the information technology sector. This explains a variety of socioeconomic factors. It might indicate that a woman is only paid 77 cents on the dollar in the world (according to a United Nations report). This skewed pay distribution exposes inequity as evidence of how women's work is undervalued and unsolved. Due to the combined effects of the gender wage gap and the pink tax, women are more financially precarious. While the gender wage gap reduces women's incomes, the pink tax causes them to incur higher expenses. When combined, the two significantly lower women's purchasing power, increasing their economic vulnerability. Gender inequality is not just a social problem; it permeates all facets of society, particularly the financial sphere, which exacerbates the economic gap between men and women.

one of the more heinous instances of third-degree pricing discrimination is the Pink Tax. Whether or whether gender differences are genuine, gender socialization makes society respect them. The result of gender socialization is that companies like Proctor and Gamble and Johnson & Johnson can sell nearly identical products, but marketed to women and men differently, and ultimately be able to charge different prices to different segments of society, even though they don't charge one price to women and one price to men for an identical product. Therefore, items marketed to women, girls, or baby girls cost more than virtually identical products offered to men, boys, or baby girls. This phenomenon is known as third degree pricing discrimination and may be applied to the apparel, toy, health care, and other markets.

It is well known that a racist and sexist culture is subtly fostered by the pink tax. According to data from the 2020 Bureau of Labor Statistics, women of color have had a greater disparity in wage between them and white males. Reduced compensation indicates less disposable money, which influences consumers' preferences in the marketplace, particularly for those in lower-paying professions. For women, it is a lose-lose situation due to lower earnings and increased expenditures. Unprecedented circumstances like as the COVID-19 pandemic, the conflict between Russia and Ukraine, and the rise in global prices have made matters worse by incentivizing governments and businesses to increase tax rates to reduce deficits. This demonstrates the true expenses associated with being a female shopper. Gender socialization is the reason of the pricing difference between men and women, which further burdens women who are already marginalized in society due to the large salary discrepancy. Moreover, certain regulations and trade practices linked to imported goods bear some of the responsibility for the ongoing financial hardship and inequality experienced by female customers.

A patriarchal system was evident in ancient Egypt, when women were not permitted to hold property like males and were frequently prohibited from opening bank accounts without their husbands' consent. These historical examples of patriarchy are unmistakably depicted in the text. In addition, there is still a gender pay gap in the workforce, which further contributes to the disparity in salaries between men and women.

Indeed, the United Nations has urged nations throughout the world to remove the pink tax to enable women's full and equal participation in the economy through refunds. Advocates have long tried to raise awareness and advocate the usage of gender-neutral items as a means of closing the gender gap. This unjust tax has even gained attention on social media.

Australia, Canada, and Rwanda are among the nations that have done away with their tampon and other feminine product fees. For the sake of social justice and gender equality, all levies on essentials for women's health must be eliminated. States should justly enact legislation based on equitable principles other than gender. I firmly think that rationalizing our purchasing habits is a significant step towards exposing and doing away with this tax. For the benefit of the worldwide female community, it is especially important to resist giving in to the allure of pink packaging.

### **EXAMPLES OF PINK TAX**

For instance, you could see at the drugstore that certain razors are basically the same as those that are blue with a male on the label, even if they have a woman on the container and are pink in color. The goal of this marketing strategy is to persuade some consumers to choose one product over another. And in that regard, the products targeted to women typically have higher prices.

Women's haircuts are an example of the pink tax because, even in cases when the styles are comparable, they are frequently more expensive than men's. This is because a lot of barbershops and salons base their haircut prices on the gender of the customer. For instance, a RS 200 haircut may cost for males, whereas a RS 400 haircut would cost for women.

Another prominent example of the pink tax is razors. Even if the only difference between the two is color or style, a basic package of razors targeted to women is frequently more costly than razors marketed to males. For example, a five-pack of pink disposable razors for ladies may cost RS 350, but a five-pack of blue disposable razors targeted for males may cost only RS 200.

Like razors, deodorants geared towards women are frequently more expensive than those geared towards males. Usually, the packaging or aroma is the sole distinction. For deodorant, women and girls usually pay three percent more on average. In a similar vein, a 2019 study on gender-related expenses revealed that moisturizers targeted towards women were much more costly than those marketed towards males.

There was a persistent pricing difference between toys, accessories, and items for girls and boys. Moreover, in certain instances, a toy that was previously priced equally in gender-neutral colors but cost more in pink (like a cash register). The only differences in toys like motorcycles and accessories are in color or design, yet females will still spend more for them.

Lastly, firms are effectively penalizing women for being women by raising the price of items targeted towards women.

### **HOW CAN WOMEN AVOID PAYING PINK TAX?**

- looking around for the greatest deals on goods and services. Women who shop around might discover the greatest offers and save unnecessary expenses. Ladies might also wish to think about a "no-name" product that is less costly.
- purchasing things that are targeted at males or that are gender-neutral wherever feasible. Women can save money by choosing the less expensive, gender-neutral version of many items because they are much the same as those offered to males.
- Hagglng about costs. Negotiating rates with vendors is something that women should not be scared to do, especially when purchasing expensive products like homes or vehicles.
- voicing opposition to the Pink Tax. By criticizing the pink tax on social media and endorsing organizations that strive to eradicate this unfair practice, women may increase public awareness of the issue. In the end, women who spend more money save less, which will ultimately undermine their long-term financial and retirement planning objectives.
- Knowing the difference in prices and going above and above to get the best products for the money, regardless of packaging, also helps. Another option is to voice their concerns if they observe unjust pricing. Complaining to local legislators, businesses, consumer organizations, and social media is a potent way to express unhappiness. The behavior of consumers can give producers useful information.



## **DEVELOPING FRESH DIFFERENT BUSINESS PLANS TO PREVENT PINK TAX**

Refusing to comply with the pink tax might result in the establishment of novel, fascinating, and inventive businesses, and business models, as opposed to altering and improving already-existing businesses. By doing that, this new enterprise not only generates employment and commercial activity but also finds a creative solution to a genuine problem that is tailored to the needs of the final user. In an effort to "compensate" women for the additional money they have been spending on these kinds of items over the years, they have also taken up the cause and introduced the "pink tax rebate," which functions as a referral programme that allows you to receive \$1 back for each friend who signs up for the programme.

Combating the pink tax issue is a difficult undertaking that takes time to complete. Most big businesses take a very long time to implement the required adjustments, if they do so at all. Additionally, because the problem is one of systematic gender discrimination, it will take years to begin resolving it. Smaller companies and independent brands, however, have an advantage<sup>68</sup> since they have more control over their operations and how they develop, produce, and advertise their goods and services. Additionally, they mold the company to meet the requirements of a specific social group. Additionally, it is much simpler for the creators of these firms to imprint their own vision on their brands. As the few instances above demonstrate, the enthusiasm and dedication of these entrepreneurs to ending gender discrimination is what propels these enterprises towards change.

## **CORPORATE SOCIAL RESPONSIBILITY AND MARKET PRESSURE**

We spoke about how eliminating the pink tax would affect public perception and the benefits that would follow. This is true for all kinds of businesses, but as the lines above demonstrate, it is especially critical for the largest ones to respond to the expectations and demands of both consumers and authorities. Investing in corporate social responsibility (CSR) practises is one way to do this.

Engaging in gender discrimination problems, like the pink tax campaign, would immediately support a corporate social responsibility (CSR) strategy and yield financial benefits through customer acquisition as well as improved business reputation and image, which would eventually increase brand loyalty.

Investment in CSR initiatives will enhance image and reputation, which will then result in improved company success. This relationship between CSR, public perception, and business performance may be understood as

a positive feedback loop. And so on. The company's CSR strategy would then benefit from better socially conscious businesses.

## **CONCLUSION**

Following the completion of this dissertation and extensive research into the topic of pink taxes, we have realised the benefits we think Procter & Gamble would experience from this shift; the company would benefit from moving from a pink tax operation to a no pink tax culture.

In addition to the project's financial components, which we feel form an integral element of this dissertation, we think it is necessary to note the significance of this issue in the context of our current society. We are living in complex and undoubtedly frightening times, as many populations are demanding societal reform. There is no exemption with the pink tax. Through this research, we have gained important understanding about a topic that up until now has remained mysterious to us. If we only understood how much this is hurting our pocketbook and how unaware we are of it, we hope that our effort will help others see that this is a case of abuse.

We are happy of how far this project has gone, but we also feel compelled to acknowledge the obstacles we have had to overcome to obtain information. Given the obvious dearth of references in this field from both the commercial and academic worlds, this simply serves to highlight how much more research and awareness are required in this area. As a result, we found ourselves on an expedition without any previous instances to guide our way. In addition, the COVID-19 restricted our ability to do fieldwork and prevented us from accessing important resources like libraries or a larger sample size when conducting our survey.

We set out to illustrate that it is feasible to flourish with a pink tax-free corporation when we began this research. We are confident that this point has been established, that we can contribute to having a positive influence and helping the existing circumstances of a firm, and that we can give a solution. They will have a better and more ethical image in the eyes of consumers and society.

We are hoping that our other key goal, which is to go above what is necessary for a dissertation, has been met. After all, it only takes one person to start a social movement and, via relationships, reach out to other people who want to improve the world in a peaceful way. In our situation, we guarantee that if P&G decides to remove the pink tax from their products, they will get four new consumers for life.



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