

POLICY BRIEF

Gender Responsive Taxation: Removing Taxes for Essential Menstrual Hygiene Products

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Introduction

Gender responsive budgeting (GRB) is a legal obligation for all public institutions in the Republic of Kosovo since 2015.² In line with Kosovo's legal commitments and best [international practices](#) in GRB, all laws and policies, including budgets, ought to be informed by gender analysis. Gender analysis considers the needs and priorities of diverse men, women, boys, and girls. This analysis must be used to inform policies based on evidence.³ While GRB often has focused expenditures, revenues including taxation are equally important.

Menstrual hygiene management is a human rights issue, and menstrual hygiene products are a necessity for women and girls.⁴ However, in Kosovo and other Western Balkan countries, menstrual hygiene products are not treated as essential products. Rather, they are taxed as luxury products. This policy brief argues that the Government of Kosovo should abolish the current tax on menstrual products, thereby increasing the wellbeing of women and girls in accordance with its commitments to furthering human rights, gender equality, and implementing GRB.

Situational Analysis in Kosovo

According to Law No. 05/L-037 on Value Added Tax and its Administrative Instructions, there are two different Value Added Tax (VAT) rates applied to goods and services.⁵ First, the standard VAT rate of 18% applies to all luxury products. Second, the reduced VAT rate of 8% applies to essential goods like contraceptives and pharmaceutical products, among others. Absorbent sanitary napkins and tampons are not included in the list of essential goods with reduced VAT, despite the fact that they are an *essential* product required by all girls and women in Kosovo. Instead, the standard VAT of 18% is applied to these products, treating them as all other luxury products. This contributes to exacerbating economic inequalities among women and men, to poverty for those already struggling financially, and to limited

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² Law No. 05/L-020 on Gender Equality, article 1.17.

³ Gender analysis is also a requirement of [Gender Impact Assessments](#) as part of Regulatory Impact Assessments, required by the [Better Regulation Strategy 2.0 for Kosovo 2017-2021](#).

⁴ United Nations Human Rights Office, [Menstrual Hygiene Day: Special Rapporteur on the human rights to safe drinking water and sanitation](#).

⁵ Law No. 05/L-037 on Value Added Tax; Administrative Instructions 03/2015 for Implementation of the Law no. 05/L-037 on Value Added Tax.

access to menstrual hygiene products for vulnerable women, according to research by EcoKos Women (EKW).⁶

EKW has estimated that a woman/girl spends approximately €4.6 per month and €56 per year on menstrual products. Considering that the employment rate of women in Kosovo is only 14.1%,⁷ the vast majority of women/girls cannot purchase these products with their own income; so, they depend on others. This puts women and girls, especially those living in poverty, in a situation of dependency and potentially precarious conditions. EKW has found that the cost of menstruation products has even prevented some women from being able to access education, work, and decision-making processes.

Meanwhile, official data from Kosovo Customs suggest that revenues from VAT (0.0532%) and customs tax (0.0115%) on menstrual hygiene products comprised a meagre 0.065% of the total annual customs revenues in 2019 and even less of overall state revenues. Thus, abolishing customs and VAT taxes on menstrual products would hardly impact Kosovo's total revenues, but would help women and girls significantly, particularly those living in impoverished families.

Alternative Options

Any "lost" revenues from removing taxes on menstrual products could be collected by other means. For example, increasing taxes on luxury cars would substantially increase government revenues. This would tax a product that is purely a luxury product, cars, and gather income from persons who can afford such products. This alternative solution could also impact the environment positively, particularly if the government were to further raise taxes on these products and use them for initiatives to counter pollution, to maintain roads, or other social programs.⁸ Another alternative could be increasing excise taxes on alcohol or other substances, which impact negatively on the health of citizens and are not essential like menstrual products are. If a higher excise tax on alcohol would be introduced in Kosovo, revenues would far surpass revenues brought by taxes on menstrual products.

Recommendation

As per government obligations to implement GRB, amend Law no. 05/L-037 on Value Added Tax, as well as the Administrative Instruction MoF No. 03/ 2015 for Implementing the Law No. 05/L-037 On Value Added Tax, so menstrual hygiene products are exempt from all customs and VAT taxes. Gender analysis suggests that this will benefit low-income families and contribute to furthering equality in state revenue collection by removing this discriminatory tax.

⁶ EcoKos Women, "Promoting Human Rights Through Gender Responsive Budgeting: Tax Cuts for Essential Menstrual Hygiene Products", 2021.

⁷ KAS, [Labour Force Survey 2020](#).

⁸ As a best practice, see Government of Canada, [Consultation on the Select Luxury Goods Tax](#).