

Tax Power campaign

**Training handouts for
participants**

ActionAid

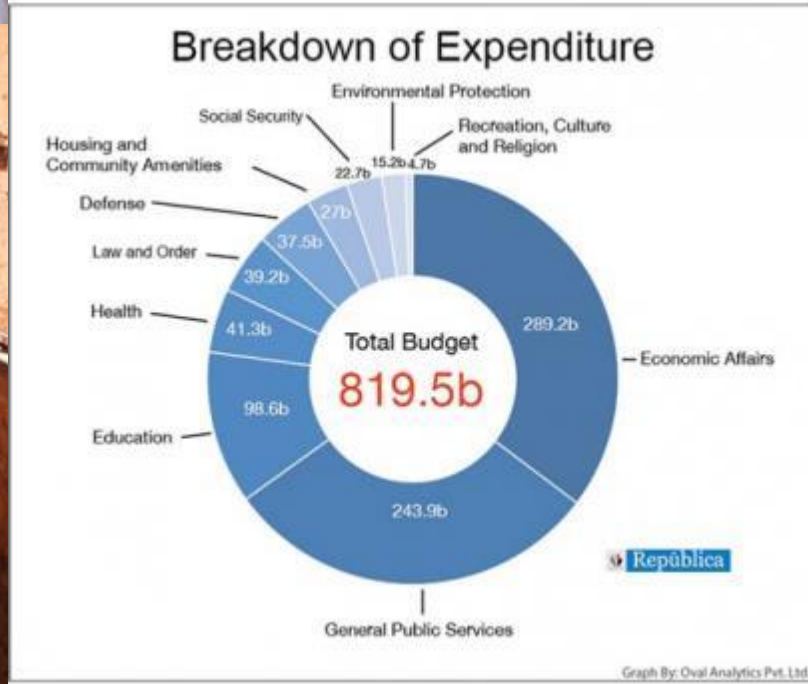
What is tax?

What is tax justice?

**How can it fund women-
friendly public services?**



We all want money for public services, but we are competing for a small budget. Where is the money raised from - could the budget be bigger?



What is tax?

Tax is a required contribution made to the nation by citizens or businesses.

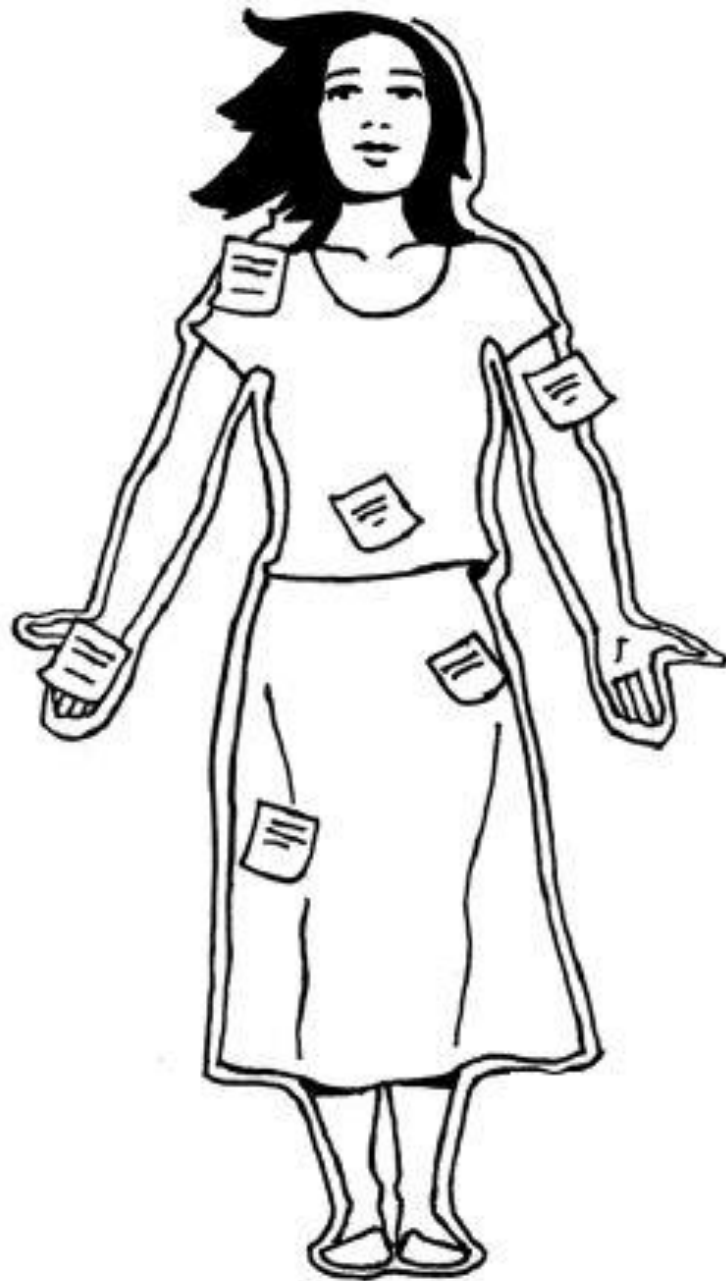
Without tax, many parts of society wouldn't function.

Taxes are the most reliable and sustainable source of government revenue.



Real
people
and tax

What
human
rights
does tax
pay for in
my life?



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What
happens to
me when tax-
funded
quality
public
education
doesn't
exist?

What tax do I
pay?



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#taxpaysfor
public services that
meet women's rights
#taxpower



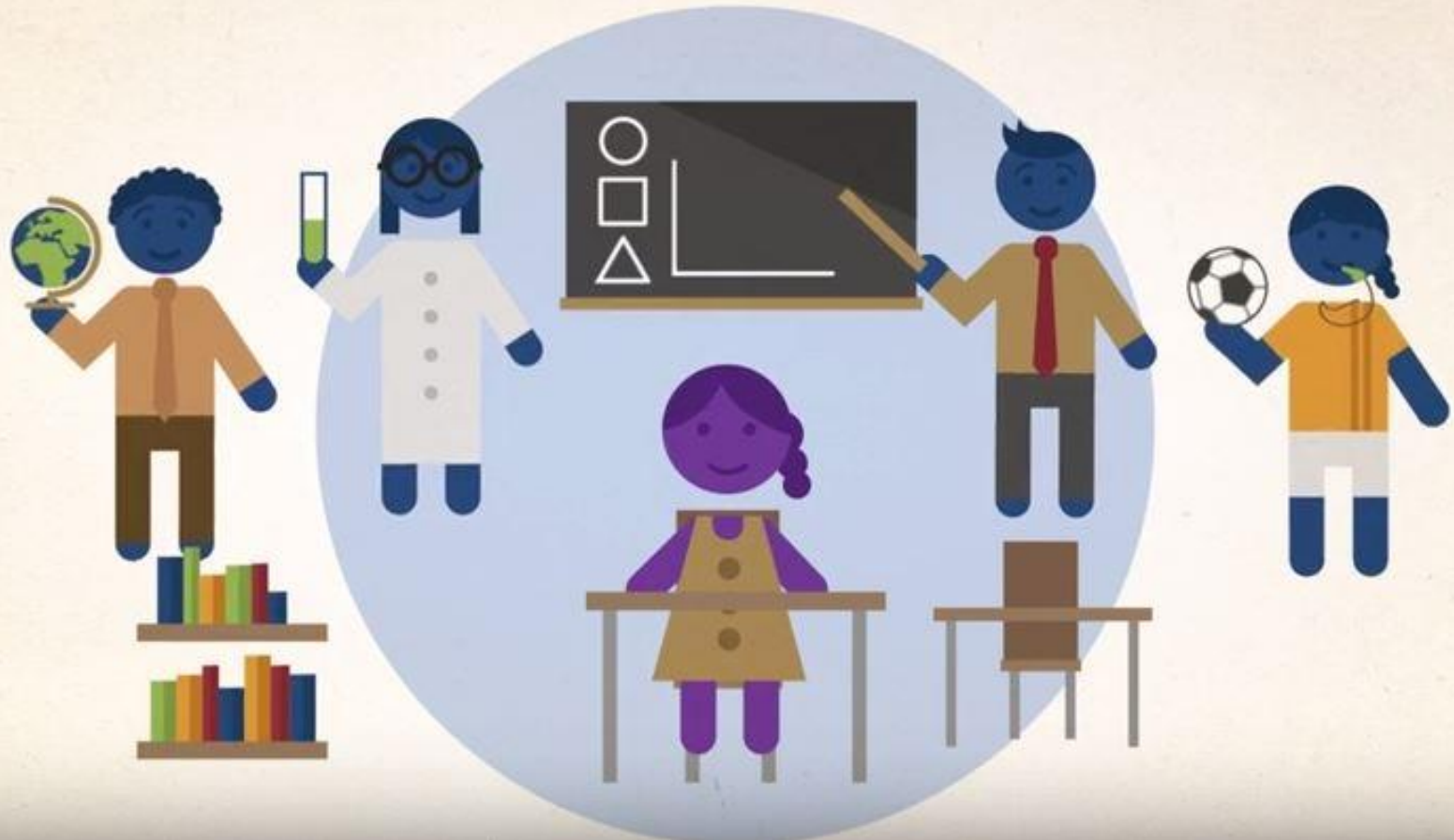
actionaid

#taxpaysfor
safe cities for women
#taxpower #safecitiesbecause



act:onaid

#taxpaysfor
safe schools for girls
#taxpower



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#taxpaysfor public services that help reduce women's unpaid care work, and increase the time they have for education and paid work

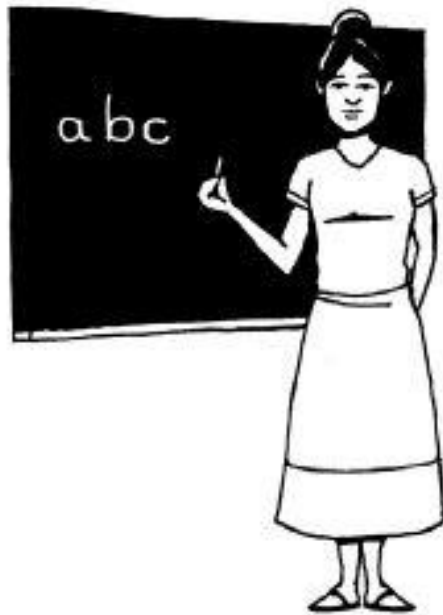
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Fair tax burden

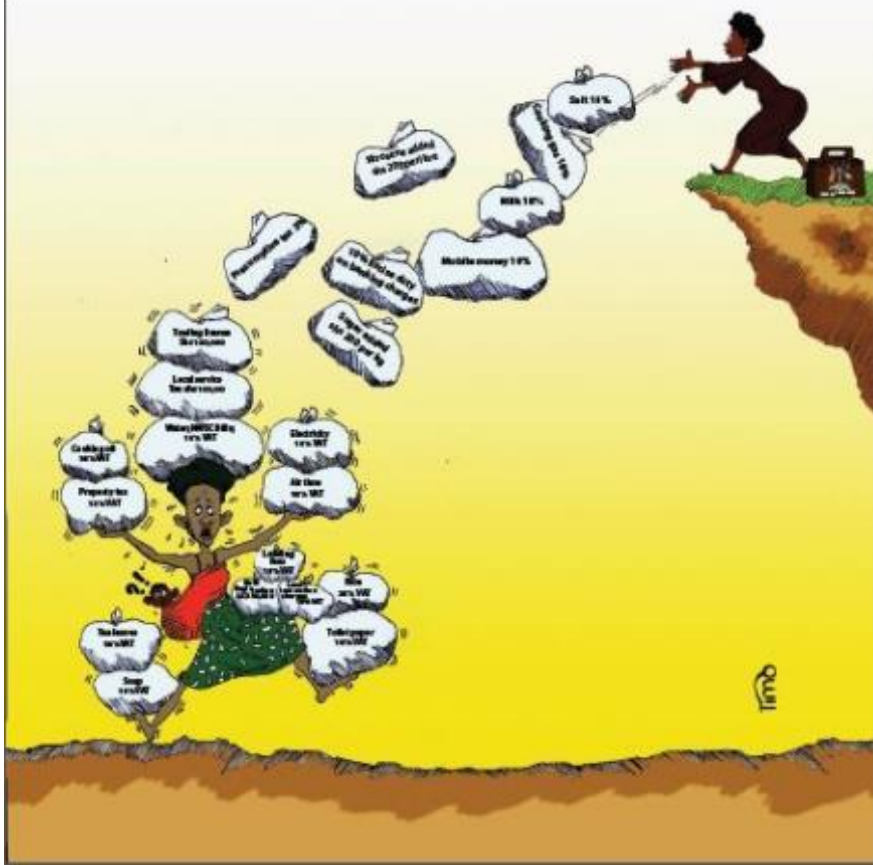
Who should pay more tax, a farmer, a teacher, a national business owner, or a multinational company?



Unfair tax burden

Need for fair tax raising = those that have most, pay most

THE WEIGHT OF TAX ON AN ORDINARY WOMAN



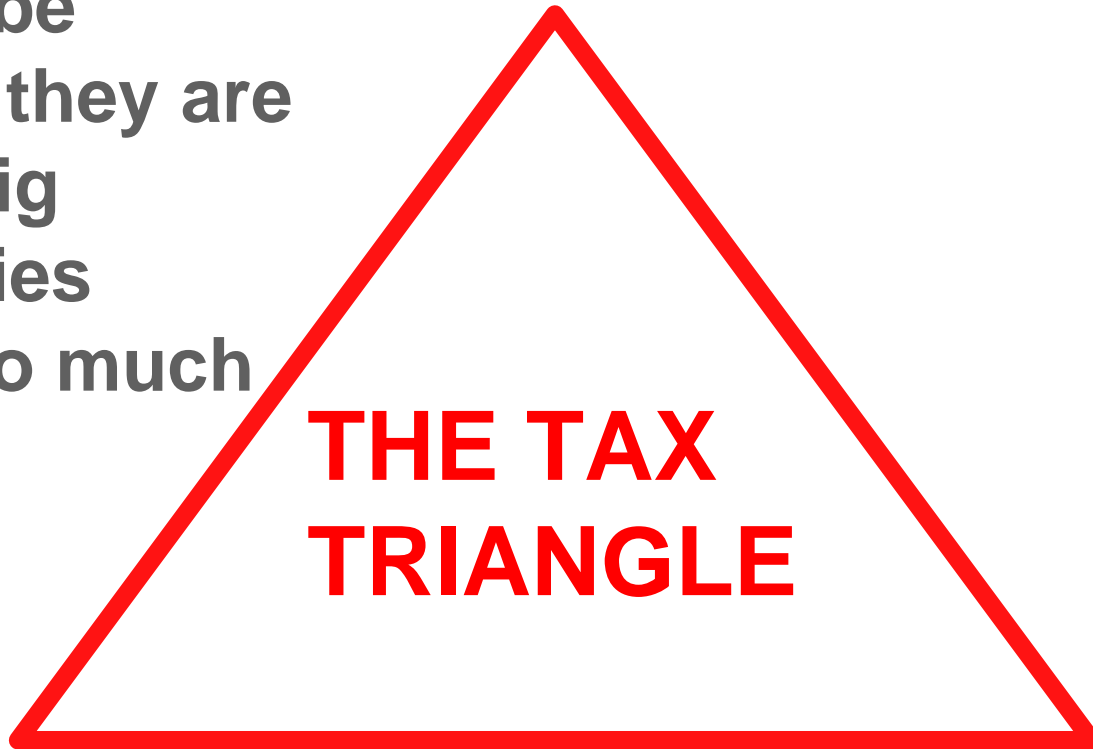
**TAX POWER
CAMPAIGN:
Government
budgets don't
need to be
empty – they are
letting big
companies
avoid too much
tax**

TAX RAISING

**THE TAX
TRIANGLE**

TAX ALLOCATING

TAX SPENDING



Why is tax powerful?

A fair tax system:

Raises Revenue - pays for public services. High quality, accessible public education costs money (books, teachers, classrooms)

Redistributes - reduces inequality – the gap between rich and poor within countries and between countries

Representation - increases accountability of state to citizens and reduces dependence on foreign aid and loans.

Reprices – can encourage buying of positive products, such as solar energy, or discourage buying of negative products, such as cigarettes,



Maximum Available Resource Star

RESOURCES

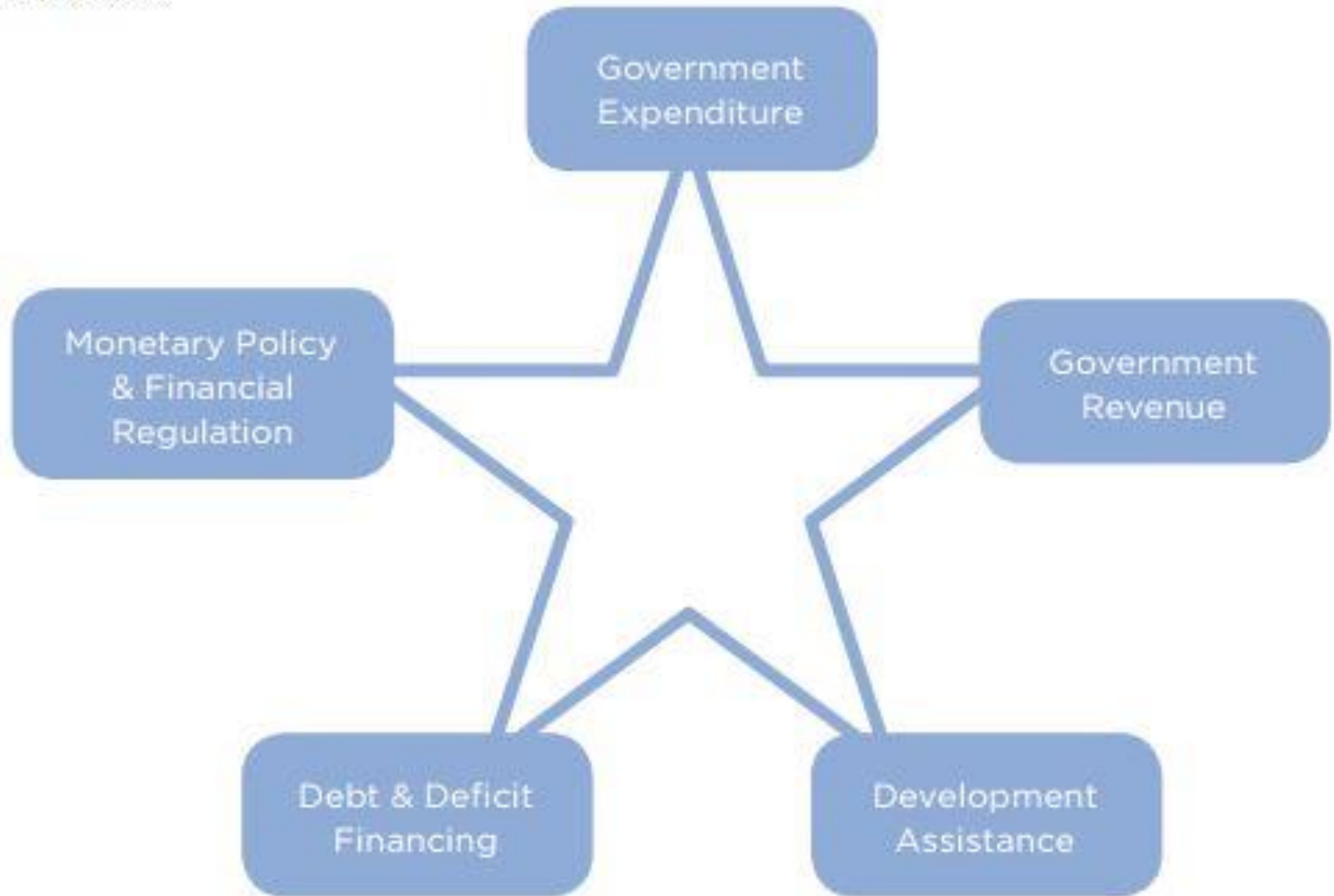
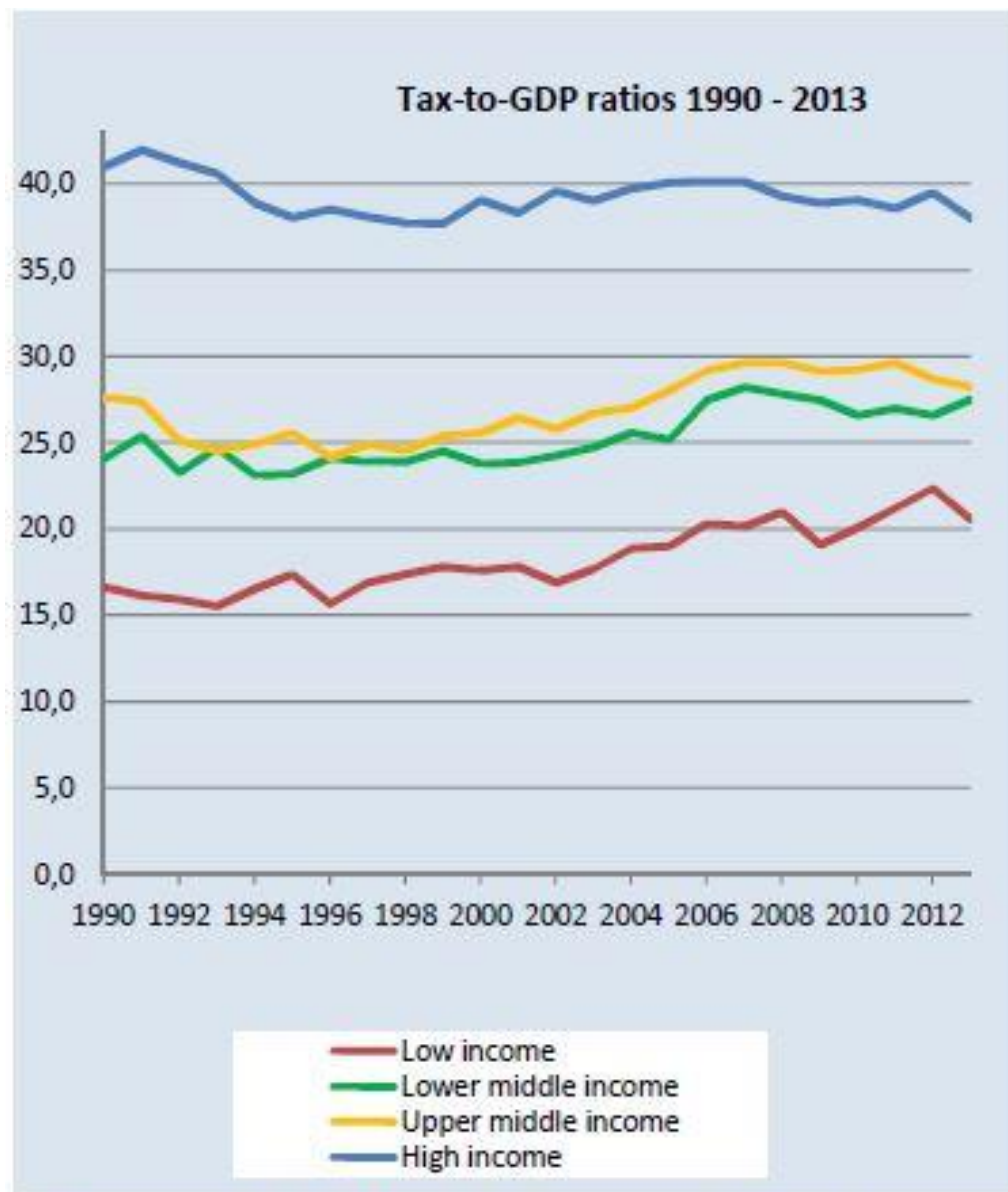


Figure 1: The Maximum Available Resources (MAR) Star

Tax to GDP ratios

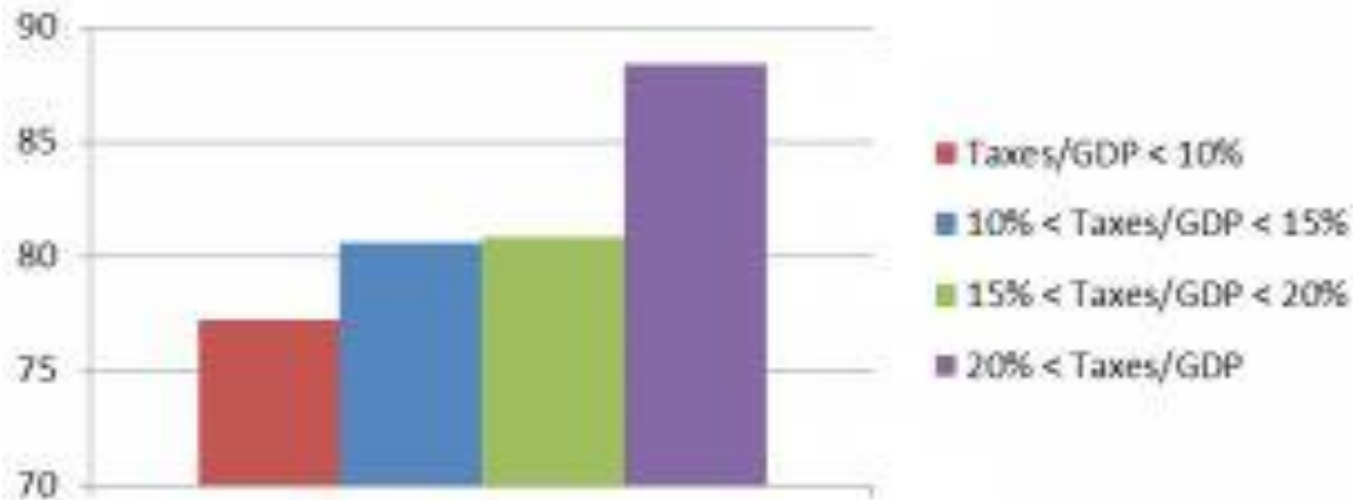


Source: FAD World Revenue Database

Tax to GDP ratio vs literacy rates

MDG 2: Achieve Universal Primary Education

Literacy rate, youth total (% of people ages 15-24) for 2008 and Taxes/GDP for 2003



Source: Tax Justice Network

Demand accountability

Corruption, and misallocation of public funds, are stealing from taxpayers.

Misallocation is spending that does not serve the public good but instead the private interests of those deciding on allocation, such as bloated MP salaries and fancy governments cars.



The rush to privatise

The more public services decline, the more appetite it creates for privatised services which are impacting negatively on women and girls rights.

Double win for companies = don't pay tax, erode public services, benefit from delivering private services.



For ActionAid, tax justice is:

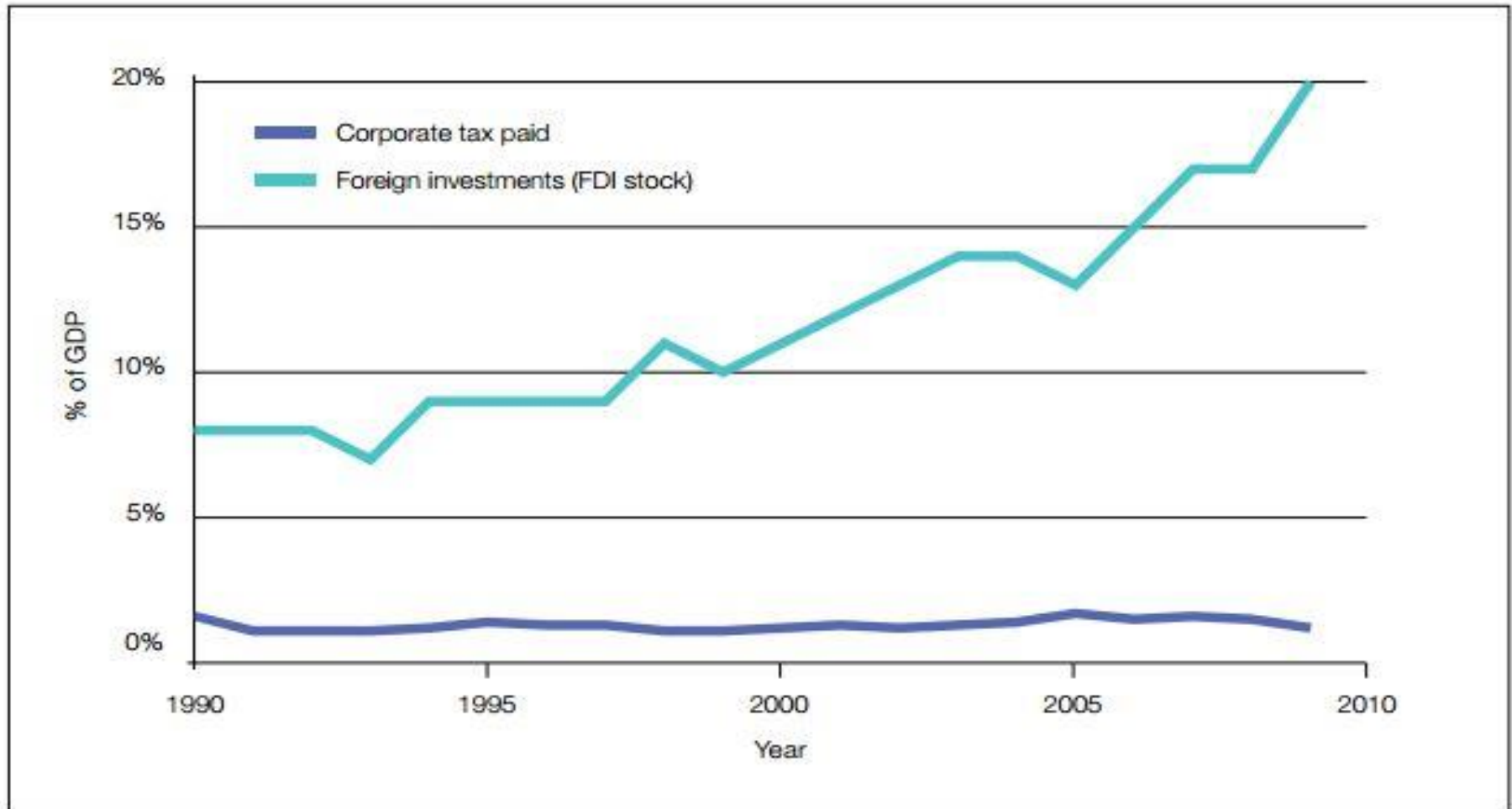
- Governments have ability to raise enough tax to provide quality public services and pay for sustainable development
- Governments raise and spend tax transparently, progressively, and accountably.
- International community helps create transparent and fair global tax rules which help governments access to all information and establish fair national tax systems.
- Global companies make fair tax payments where business is transacted, resources are extracted, and profits are made.



The global economy, inequality, and tax

More companies investing, no tax benefit


Figure 2: Foreign investment has grown as a share of the economy in low-income countries, but corporate tax revenues haven't



FOR EVERY \$1
DEVELOPING COUNTRIES
GAIN



Other official flows	3¢
Charitable	3¢
Portfolio equity (stocks & shares)	6¢
Aid	10¢
Remittances from migrant workers	34¢
Foreign direct investment	44¢



Interest repayments on foreign debt 14¢

Profits taken out by foreign investors 42¢

Lending to rich countries 59¢

Illicit financial flows 93¢

**THEY
LOSE
MORE THAN \$2**

Size and power of companies turnover vs. national economies

If the American supermarket Wal-Mart were a country, it would be the 25th largest economy in the world, bigger than 157 other countries.



Even some major countries like Norway, Thailand, and New Zealand earned less in one year than some companies.

Amazon.com is bigger than Kenya

Kenya's GDP: \$32.16 billion

Amazon.com's Revenue: \$34.2 billion

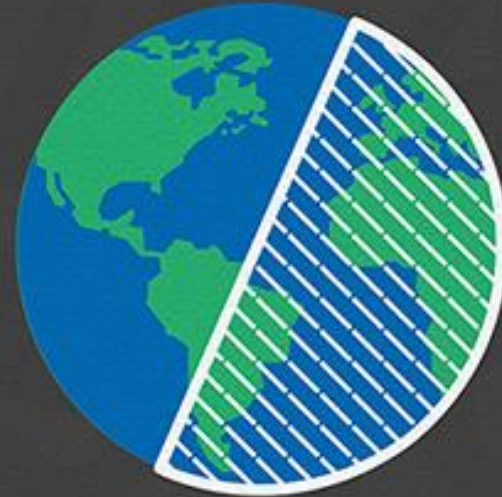
Amazon would rank as the world's 86th biggest country.

World is very unequal – and getting more unequal.

A fortunate few have as much wealth as half the world.



**62 REALLY
RICH PEOPLE**



**3.5 BILLION
PEOPLE**

World is very unequal – and getting more unequal.



*There are a thousand hacking
at the branches of evil to one
who is striking at the root.*

– Henry David Thoreau, 1854 –

**Lost corporate tax revenue:
harmful tax incentives and tax
avoidance**

How much money are developing countries missing out on?

We all pay tax, but right now, big companies aren't paying as much as they should in developing countries.

Tax incentives: ActionAid estimates that eliminating corporate tax incentives in developing countries could raise over **US\$138 billion** in revenue annually

Tax avoidance and evasion: developing countries are estimated to lose between **US\$120 and US\$160 billion** a year in revenue owing to money hidden in tax havens – more money than they receive in aid.

**Lost corporate tax revenue:
Method 1: Harmful corporate
tax incentives**

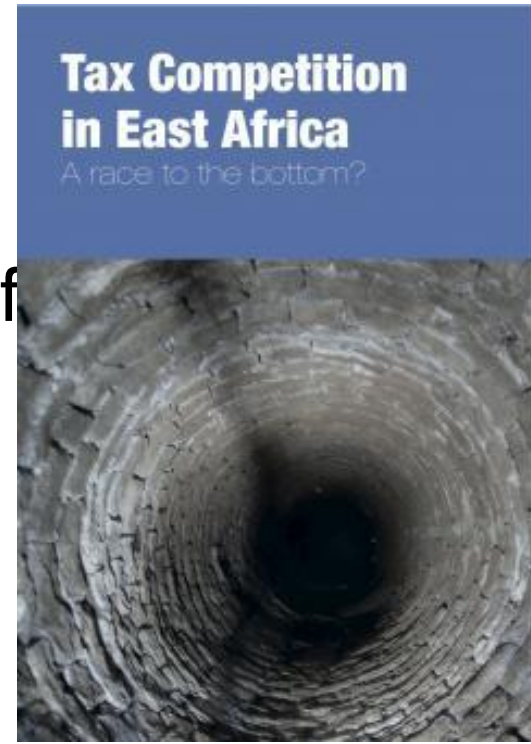
Impact of tax breaks in East Africa

ActionAid found that:

Uganda: US\$ 690 billion in 2009/10, **twice health budget** of US\$ 375 billion for 2008/09.

Rwanda: Rwf 141 billion in 2009, 4.7% of GDP in 2009, nearly **double education spending**.

Kenya: KShs 100 billion every year – amount to **more than twice health budget** of KShs 41.5 billion.



Impact of tax breaks in poor countries

ActionAid found that: the US\$138 billion lost to corporate income tax breaks given by poor countries is enough to:

Pay for the education of 57 million children who currently don't go to **primary school**

AND provide the agricultural investment (US\$42.7 billion) needed to achieve a **world free from hunger**.

AND meet international goals to **reduce ill health** more than twice over (costing a maximum of US\$58.9 billion).

In low and middle income countries tax breaks total a staggering:
\$138,000,000,000

WHAT COULD THIS PAY FOR?



ENSURING EVERY CHILD ON THE PLANET RECEIVES A
PRIMARY EDUCATION

IMPROVING MATERNAL HEALTH & TACKLING INFECTIOUS DISEASES



MEETING INTERNATIONAL TARGETS TO REDUCE CHILD DEATH RATES



INVESTING IN FARMING & FOOD PRODUCTION TO
END HUNGER IN THE DEVELOPING WORLD

WE'D STILL HAVE OVER \$25,000,000,000 LEFT

Act now to make big companies pay what they should in developing countries:

www.actionaid.org/tax

Figure 8: Factory or farmer?

Zambia Sugar profits from cane-growing and industrial sugar production, 2007-12

■ % profits from cane growing ■ % profits from sugar production



Source: Zambia Sugar annual accounts 2007-12)

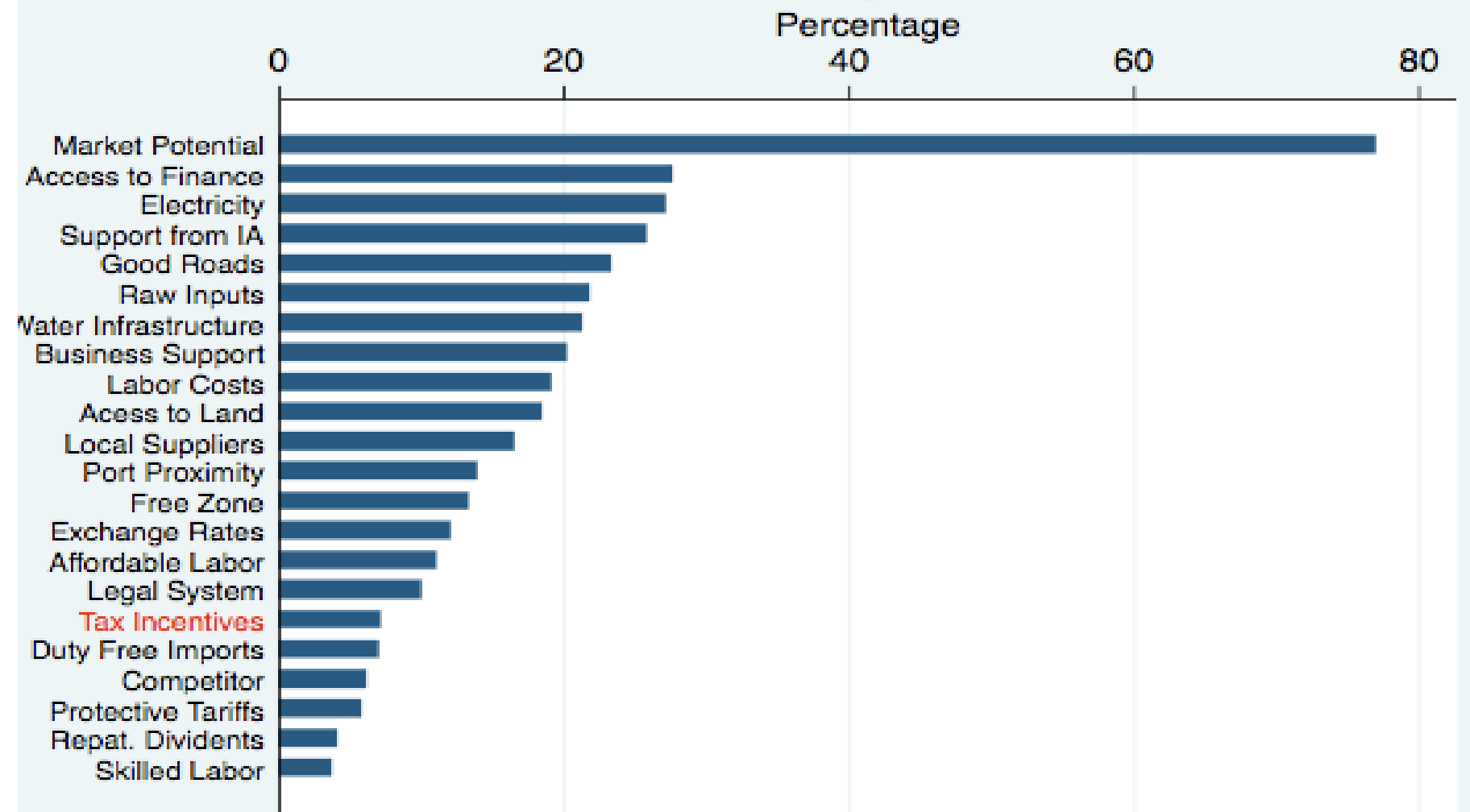
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Sweet? Examples of a tax incentive

In 2005 Zambia Sugar, subsidiary of UK food giant Associated British Foods, took the Zambian government to court to win the right to reclassify all its revenue as 'farming income' – even though its own accounts show that three quarters of its income and profits are in fact derived from industrial sugar manufacture. This reduces its tax rate from 35% to 15%. In 2011 Zambia Sugar also won the right to offset the costs of an expanded factory with a tax break intended for new foreign investment; the details of this deal remain confidential. We estimate that these incentives will in future cost Zambia at least US\$3 million a year in revenue, just from this one company.¹⁶

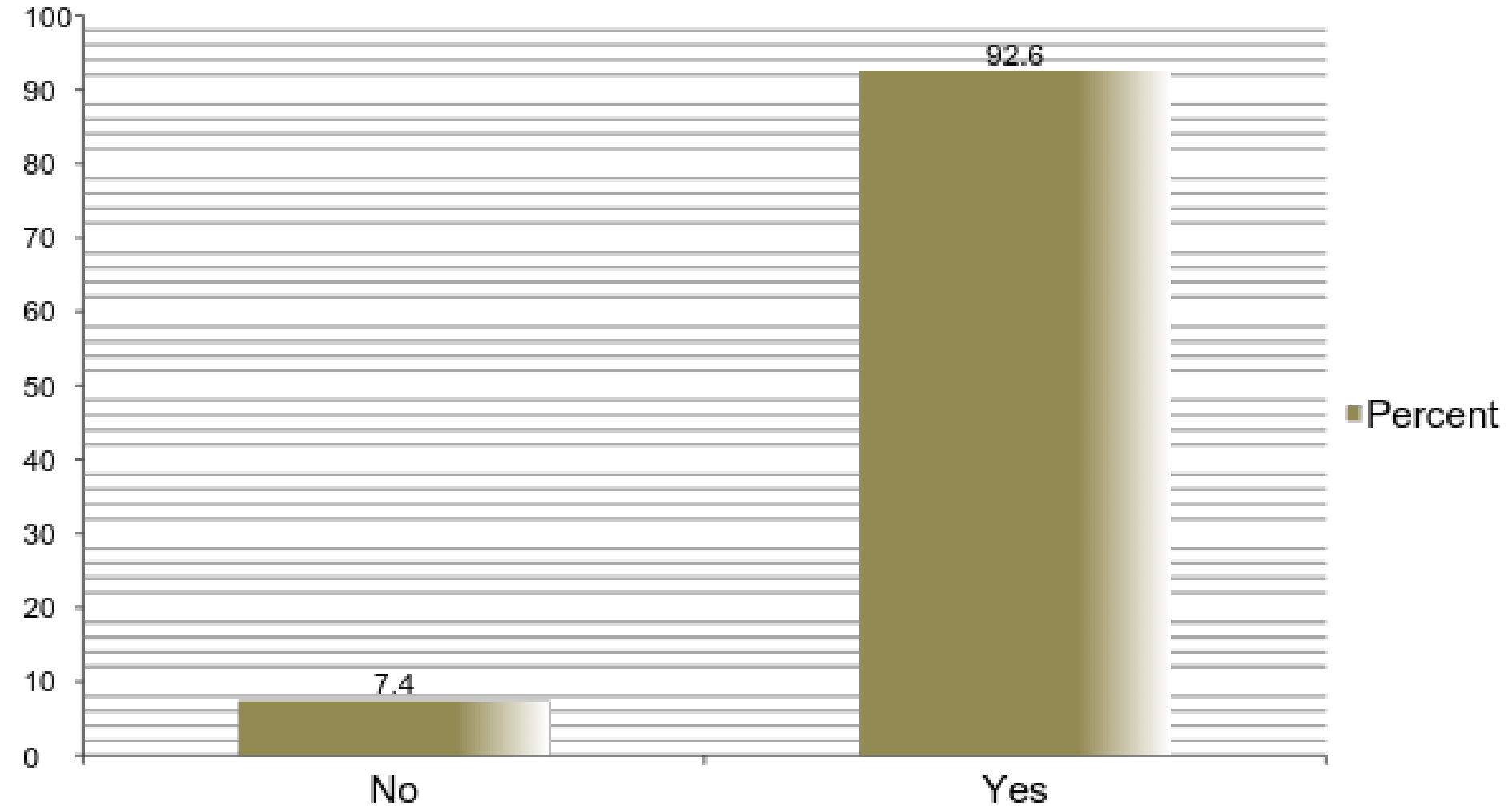
A World Bank study in East Africa found that tax incentives are one of the least important factors in investment decisions...

Most important factors that impacted your investment decision



Burundi Tanzania Rwanda

...In fact, over 90% of surveyed investors in four countries said they would have invested even if they didn't receive any fiscal or tax incentives



...And that the majority of jobs are created by investors who did not need any tax or fiscal incentives

Marginal Investors



Created



180 Jobs
(4% of total)

Investors with no need for incentives



Created



4,213 Jobs
(96% of total)

Total Jobs created by all investors:
4,393

What can governments do to ensure tax incentives aren't harmful?

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1. Eliminate all corporate income tax holidays (the worse kind of blanket tax incentive that lock in future parliaments) - & seriously reconsider tax incentives to extractives companies, because investors must come to you! (eg. Tanzanite)
2. Limit the use of discretionary incentives to special cases, and provide transparent explanations for such use.
3. Perform public reviews of all tax incentives currently in place or being considered, to allow citizens, parliaments, and government officials to weigh the costs of any foregone taxes against potential benefits.
4. Coordinate tax incentives among countries in the same region to reduce the risk of tax competition.

Govts are taking back their tax power:

Tanzania: New law that removed ministers discretionary power to give incentives, and introduced parliamentary scrutiny over tax incentives

Rwanda: Following advocacy by ActionAid Rwanda, Rwanda's 2012/13 budget announced a reduction in tax incentives projected to save it US\$8 million – a good start.

Zambia: Finance minister Alexander Chikwanda announced his government will review the “proliferation of inefficient tax incentives” as part of a “diagnostic review of the whole tax system” during 2013.

Lost corporate tax revenue: Method 2: Corporate tax avoidance

TAX EVASION

= ILLEGAL

Law has been broken

VS.

TAX AVOIDANCE

= LEGAL, BUT IMMORAL

Aggressive reduction of tax bill through finding tax loopholes through finding where no law, or a weak law or policy - and profit shifting to low tax places. Often “business as usual”.



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TAX POWER

CAMPAIGN

focus is on tax avoidance, showing immoral and better rules and behaviour needed

Impact of tax avoidance in poor countries



ActionAid found that one beer company, SAB Miller: **GBP 20 million** per year in lost tax revenue – **enough money to educate an additional 250,000 children.**



ActionAid found that one sugar company, Zambia Sugar: cost Zambia **US\$17.7 million** since 2007.

That's **enough to put 48,000** Zambian children in school a year

MINING GIANTS PALADIN CUT THEIR TAX BILL IN MALAWI BY US \$43.16 MILLION

In one year, this could have paid for



17,000

nurses in Malawi

Change lives. For good.
act:onaid

**TAKE ACTION NOW
TO END TAX DODGING**

Impact of tax avoidance in poor countries

The Global Campaign for Education calculated that...

In Tanzania, money lost to tax dodging by big companies could have paid for:

- the training and salaries for 70,000 new primary school teachers needed
- fund the building of 97,000 new classrooms
- and ensure that every primary school-aged child has a reading and mathematics textbook.



Tax haven definition

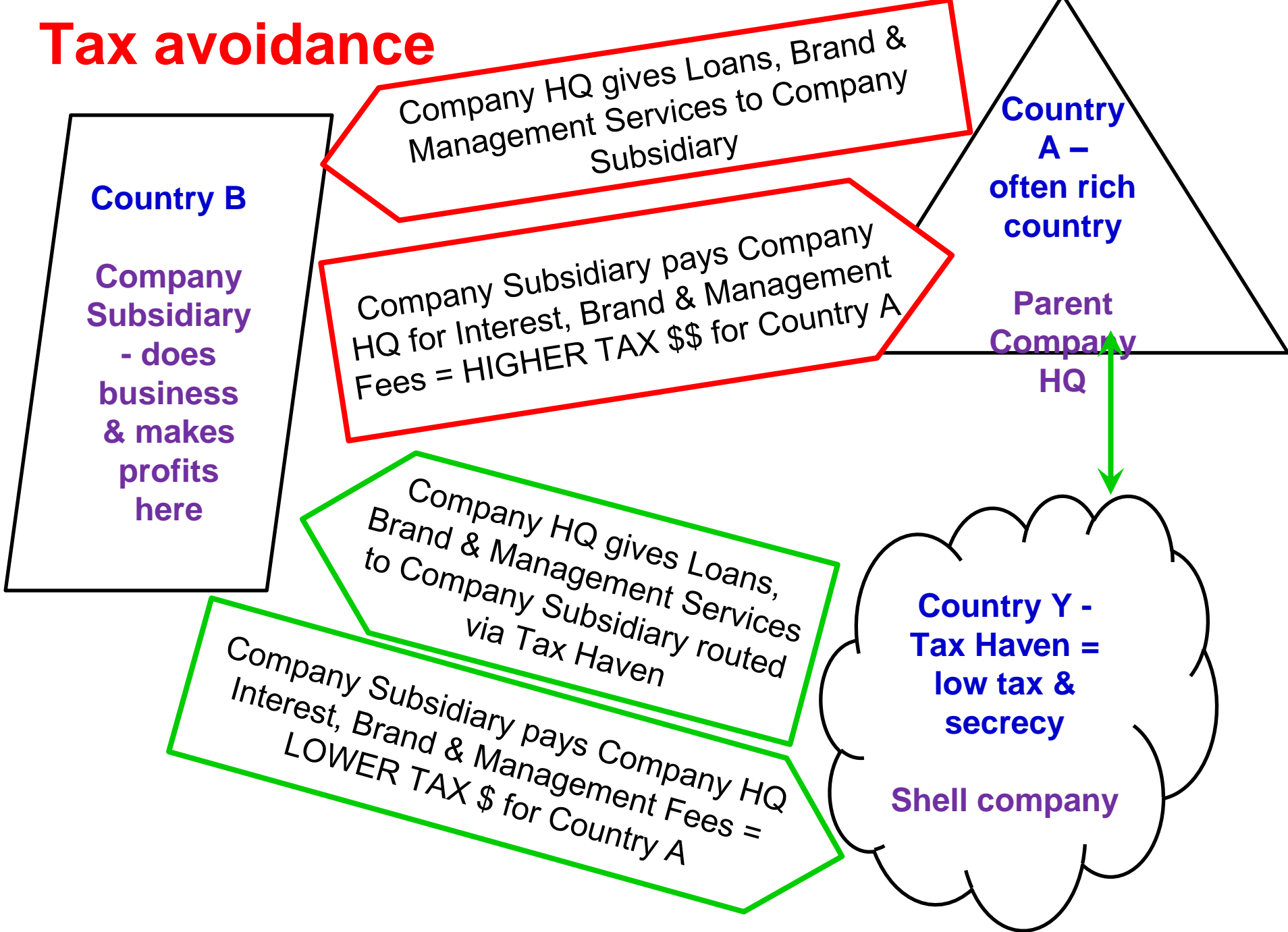
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1. Real place
2. Low or no tax
3. Secrecy



Money on an Island - The Apocalyptics

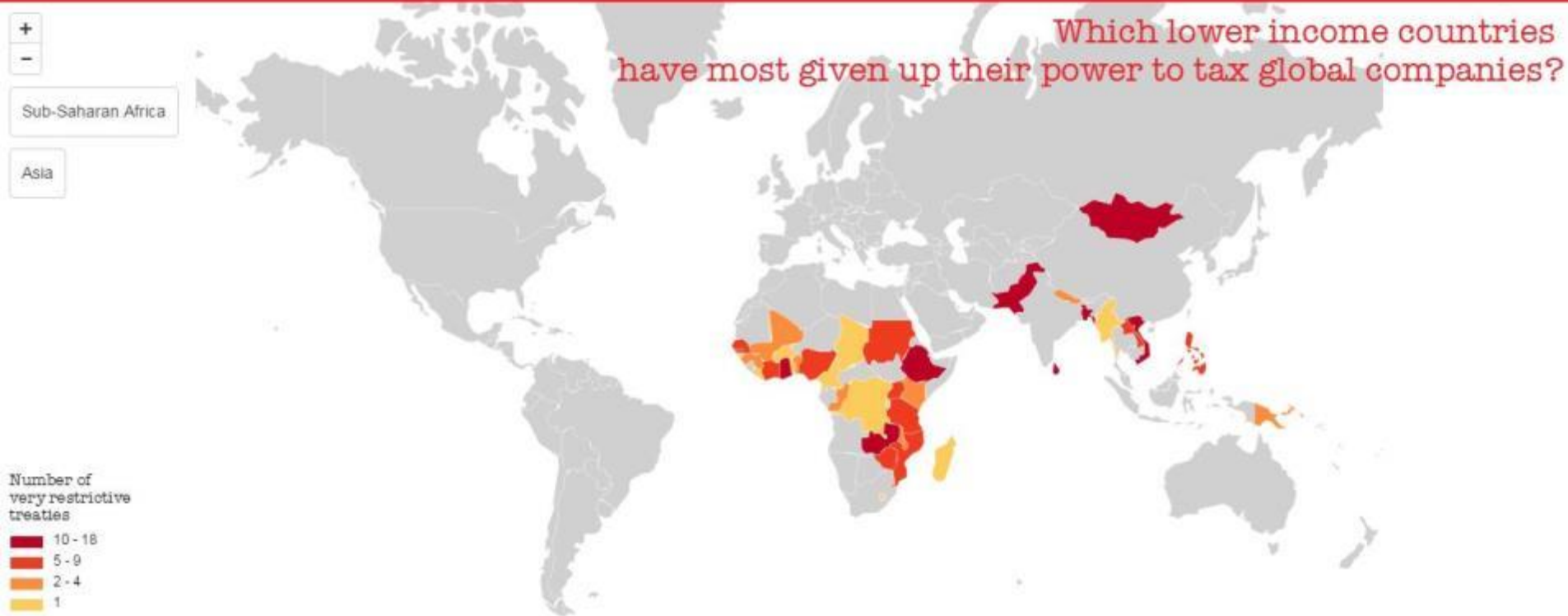
Tax avoidance



Why do tax treaties matter? **act:onaid**

- A tax treaty is an agreement between two countries, deciding which country can tax a foreign-owned company, among other things. Even though some treaties are decades old - signed by a different government many elections ago - they are still as powerful as they were when they were first agreed.
- Currently these are unfair and benefit the higher income country where the companies are headquartered
- Tax treaties facilitate tax avoidance, and have been used in the most well-known cases of aggressive tax planning, such as in Google and Amazon's tax schemes.





Click on a lower income country to see how many treaties it has that really restrict its power to tax global companies.

ActionAid commissioned independent research first time analysing more than 500 treaties that higher income countries have with lower and lower middle income countries in Africa and Asia.

1. The lost revenue problem



Bangladesh is one of the world's poorest countries. Each year, its tax treaties give US \$85 million to multinational companies in richer countries through a tax cut. This money could have paid for health services for 3.4 million Bangladeshis.



Tax treaties cost developing countries

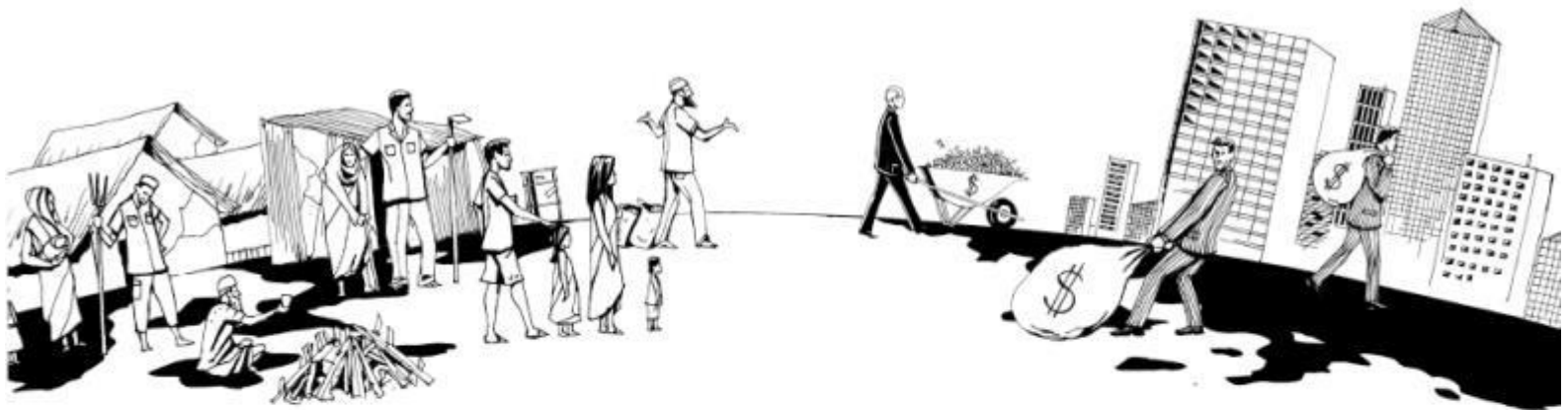
billions of dollars every year.

#taxpaysfor

2. The inequality problem

Many tax treaties take away more tax rights from the lower income country - money flows untaxed from poor to rich countries.

Tax treaties with the club of the world's richest countries – the OECD - are stopping poorer countries' power to tax multinational companies more than others. And it's been getting worse over time.



Tax treaties are deepening global inequality.

#taxpower

Figure 3: Wealthier countries with the highest number of very restrictive modern era treaties that risk severely limiting African and Asian countries' taxing power⁵⁷

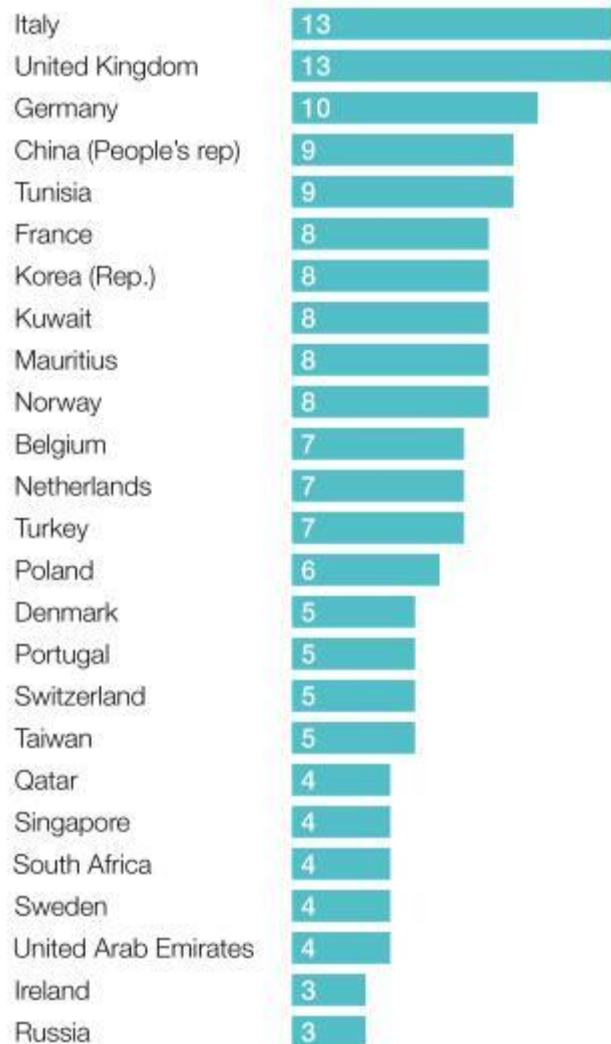
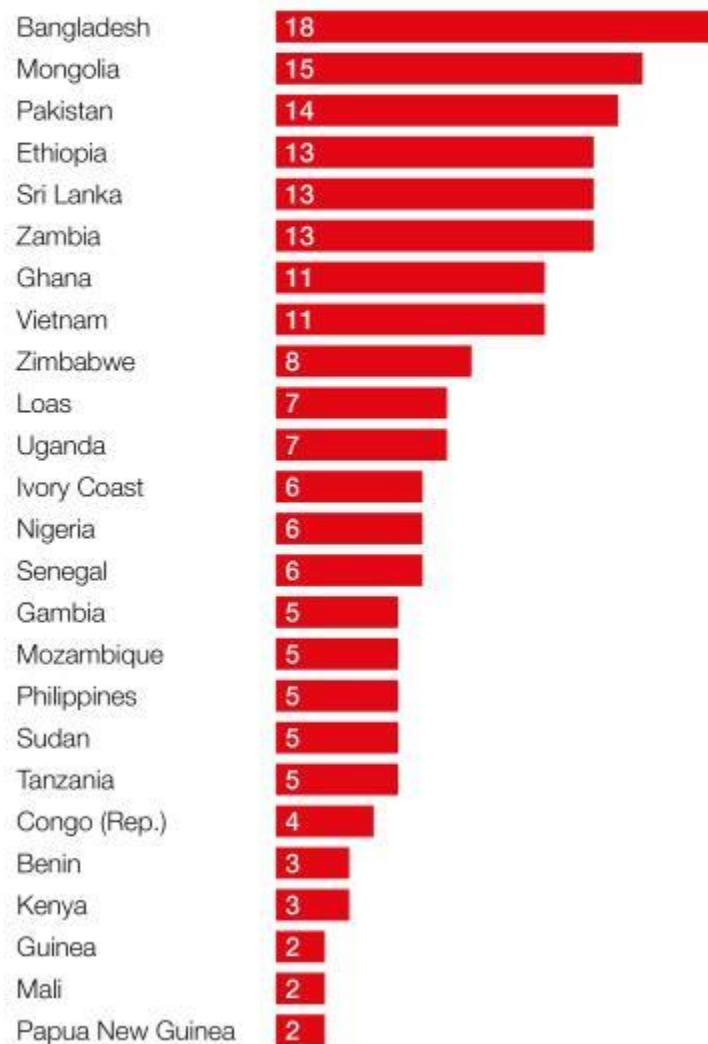


Figure 4: African and Asian lower-income countries' with the highest number of very restrictive modern era treaties that risk severely limiting their taxing power⁵⁸



Key recommendations on tax treaties:



Treaties between poor countries and tax havens are the worst, but all tax treaties should be treated with extreme caution by poor countries.

ActionAid calls upon governments to:

- Urgently reconsider the treaties which restrict the taxing power of lower income countries the most.
- Undertake regular impact assessments of tax treaties, and subject them to far greater public and parliamentary scrutiny.

ActionAid calls on multinational companies to:

- Avoid lobbying for treaties that reduce their own tax bills, but are harmful to lower income countries.

What can governments do to stop companies avoiding tax?

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Nationally:

1. Better tax treaties (especially with tax havens!)
2. Withholding taxes (take some £ before it goes!)
3. Better national tax laws that close loopholes
4. Public, transparent company registration and accounts

Internationally:

1. Share tax information between countries
2. Sanction tax havens
3. Global transparency rules on who is the real owner, and global company accounts.

Govts are taking back their tax power

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Rwanda, 2013+ **South Africa**, 2013 - both successfully renegotiated their tax treaties with Mauritius.

Argentina, 2012 - After an inquiry into tax treaties, cancelled those with Uruguay, Spain and Chile. New treaty signed with Spain immediately.

Mongolia, 2011-12 - Sought to renegotiate tax treaties with Netherlands and Luxembourg. Revoked them when dissatisfied with response.

Netherlands and Ireland - Responding to this pressure, two of the developed countries whose tax treaty networks have raised concerns, have begun a process of review.

Uganda has announced a review of its policy towards tax treaties.

Zambia is renegotiating several of its tax treaties (UK, Ireland)

Govts are taking back their tax power

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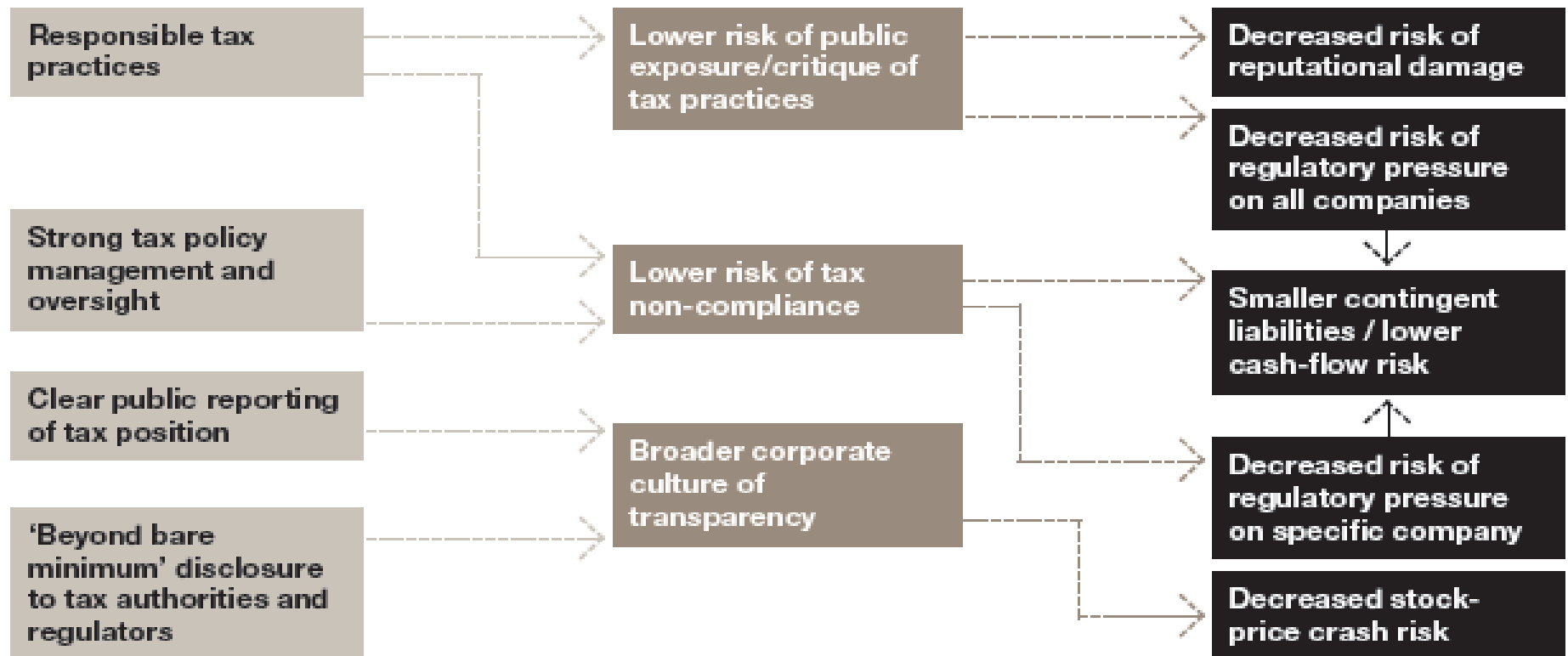
Jan 2015 - All African Heads of State agreed to nationally implement the recommendations of the African Union's report on "Illicit Financial Flows".

It included recommendations on reducing harmful tax incentives + renegotiating harmful tax treaties.

Now pressure must be national for them to do it!

The business case for tax responsibility

Figure 1: tax responsibility can mitigate both company-specific risks, and risks in the wider regulatory and public environment



What is responsible tax practice by companies?

- 1. A responsible tax policy** - Clear, public, tax policy; sets out the company's approach to tax negotiations; and rules out specified aggressive tax practices.
- 2. Managing tax planning** – Ensuring tax policy implemented eg. training employees, compliance mechanisms.
- 3. Reporting on tax responsibility** - Detailed published information on where and how a company pays tax – in each place it operates to show if practice matches policy, and assess risk.

Examples of companies with some responsible tax practices?

1. A responsible tax policy

Go Ahead Group – is a UK bus and transport company. They published a board enforced policy not to undertake tax planning and not to use tax havens.

2. Managing tax planning

Burberry a clothes company reported that non-executive directors – who hold legal responsibilities to ensure good corporate governance – are “responsible for monitoring all significant tax matters”.

3. Reporting on tax responsibility

Lush cosmetics chain has 900 stores in 49 countries. They published a full country-by-country financial report - a win in the push for greater tax transparency.

The national revenue picture, tax system and public service situation

Insert national information as in Tool 7

<https://docs.google.com/document/d/1jblGQPElrIEGW5EEpfoAjsvFhSNv87XDt-pmmC4EEeE/edit>

For each area, 1) what are the trends over time (rising/falling?), and 2) what is the regional comparison o neighbouring countries?

- Tax to GDP ratio
- Aid to GDP ratio
- Debt to GDP ratio
- How much of GDP is spent on education, healthcare, agriculture?
- The budget gap for these public services
- Amount of tax collected from VAT, PAYE, and corporate income tax.
- What are the major industries in the economy?
- What are the foreign investment patterns? (which countries are investing, how much, in what sectors, FDI vs GDP?)
- How many very restrictive tax treaties does it have?
- What laws to prevent corporate tax avoidance does it have?
- How much is estimated lost to corporate tax breaks/ incentives?
- How much is estimated lost to corporate tax avoidance?
- Are there any public scandals of corporate tax avoidance?
- What governmental regional co-operation is there on corporate tax avoidance and incentives?

ActionAid's multi-country Tax Power campaign strategy

Differences between:

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PROGRAMMING:

Empowerment, mobilisation & action of people affected by an issue; problem analysis local and broad; long-term duration.

CAMPAIGNING: Large numbers of people taking action, including those in solidarity; looking at structural problems; outsider strategy creates pressure/social proof to govt for change; focused and specific issue, simplified demands, time-bound.

Integration

EDUCATION:

Improves skills and understanding, adds complexity. *Crucially*, does not automatically lead to social change, need to mobilise people around clear action to create change

ADVOCACY: Done by fewer people; direct dialogue with decision-makers, insider strategy – more efficient if decision-makers are responsive, part of campaign strategy toolkit.

ActionAid's campaign signature

**Community-led
campaigning with women
and marginalised people for
their rights**

= clearly visible in our campaign actions,
campaign analysis & campaign communications

What would the campaign signature look like in practice?

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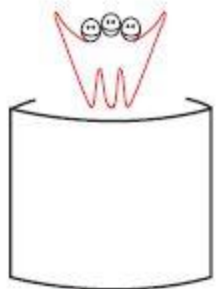


ActionAid Uganda mobilises farmers with demonstration and petition to keep funding for agricultural inputs

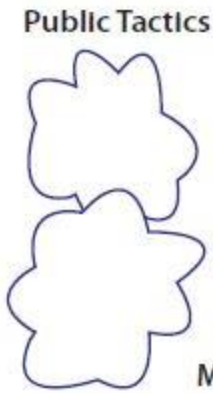
Changing society - takes time and great strategy

“There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new order of things.”

Niccolo Machiavelli, 1532



Mobilisation



Public Tactics

Risk					

M & E Indicators

- ✓ _____
- ✓ _____
- ✓ _____

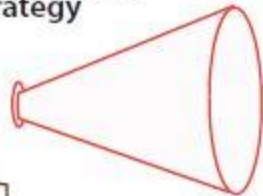


Aim

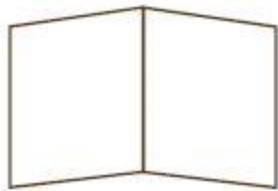
Identify Issue



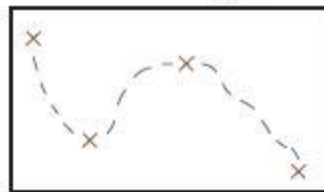
Communication Strategy



Narrative



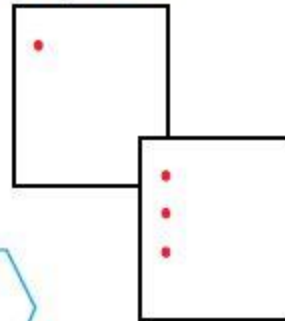
Influence Strategy



Power analysis

Stakeholder	Power over	Agree/Disagree	Importance

Objectives



Targets:

- _____
- _____
- _____

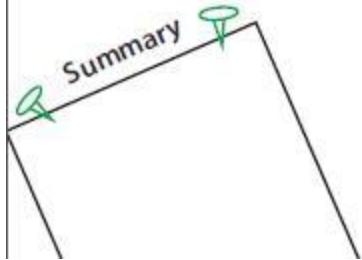
Allies:

- _____
- _____
- _____

Critical pathway



Summary



Global Tax Justice Alliance Campaign

Tax Justice Network Asia

Tax Justice Network Lat Am (etc)

Tax Justice Network Europe (Europe wide Campaign)

Tax Justice Network Africa (Africa wide Campaign)

Regional Processes (EU)

Regional Processes (SADC)

Regional Processes (EAC)

National Platforms (Denmark)

National Platforms (UK)

National Platforms (Belgium)

National Platforms (Zambia)

National Platforms (Zimbabwe)

National Platforms (Uganda)

National Platforms (Tanzania)

AA+National partners (eg CTPD)

AA+National partners (eg Seatini)

AA+National partners (eg Policy Forum)

ActionAid offices working on Tax Power

Asia

1. Bangladesh
2. Pakistan
3. Vietnam
4. Nepal

Global north

5. Australia
6. Netherlands
7. Sweden
8. UK
9. USA
10. Ireland
11. France

Africa

12. Burundi
13. Ghana
14. Malawi
15. Mozambique
16. Nigeria
17. Rwanda
18. Sierra Leone
19. Tanzania
20. Uganda
21. Zambia
22. Zimbabwe

ActionAid's Tax Power Campaign goal

Generate increased corporate tax revenue in developing countries for sustainable and gender-responsive quality public services provision

Tax Power Campaign change objectives

OBJECTIVE 1: Ensure governments develop and enforce fair and transparent rules on corporate taxation

OBJECTIVE 2: Make it socially indefensible for corporations to avoid tax or lobby for tax incentives

OBJECTIVE 3: Build a global movement for tax justice with strong political clout.

Core campaign 'DEMANDS'

We will call on governments to:

1. Stop harmful tax incentives
1. End corporate tax dodging
1. Increase the transparency of governments and big corporations in their handling of tax matters.

Objective 1: Ensure that governments develop and enforce fair and transparent rules on corporate taxation

CHANGE: - # of countries and / or regional bodies where governments are 1) reviewing existing regulations; 2) new or amended legislation; 3) implementing legislation related to closing tax loopholes and/ or ending harmful tax incentives

PERFORMANCE:- # of countries where ActionAid or Action Aid supported research on tax and revenue systems is generating media interest, public discussion and political debate

- # of political spaces where politicians in power pledged to review existing regulations/policies on tax towards Tax Campaign demands

Objective 2: Make it socially indefensible for corporations to avoid tax or lobby for tax incentives

CHANGE: - # MNCs who publically change their policy and practice to align with one or more of our “Corporate demands”

- # Notable shifts in the public discourse of Business leaders in recognising their responsibility as tax payers and/or the role of taxes to promote development

PERFORMANCE:

- # of ActionAid or AA supported corporate Exposés of unethical Corporate tax practices generating media interest, public discussion and political debate
- No. of civil society organisations and other stakeholders who endorse the “Corporate Demands” showing wider support to the AA proposal.

Objective 3: Build a global movement for tax justice with strong political clout

PERFORMANCE: - # of countries with strong coalitions and networks on tax justice where Action Aid is actively involved or contributes.

- Number of campaign supporters in each country at various stages of supporter journey (disaggregated as Endorsers, Contributors Ambassadors , including # of leads that are converted into financial supporters)
- # Local Groups and /or LRPs active in the campaign that are mobilised to take action on Tax issues
- # LRP leaders who act as spokespersons for the campaign locally, nationally and internationally.
- # of cross border actions on Tax coordinated between countries

**Influencing governments to
increase quality public
education through fair tax**

TJN & CSOs

Positive influence



Public sector users

Tax admin forums

National revenue
Authorities

UN tax committee

EAC

IMF

SME's

EU

AU

Positive
support

Negative
support

SAARC

Trade unions

OECD

World Bank

Wealthy
governments

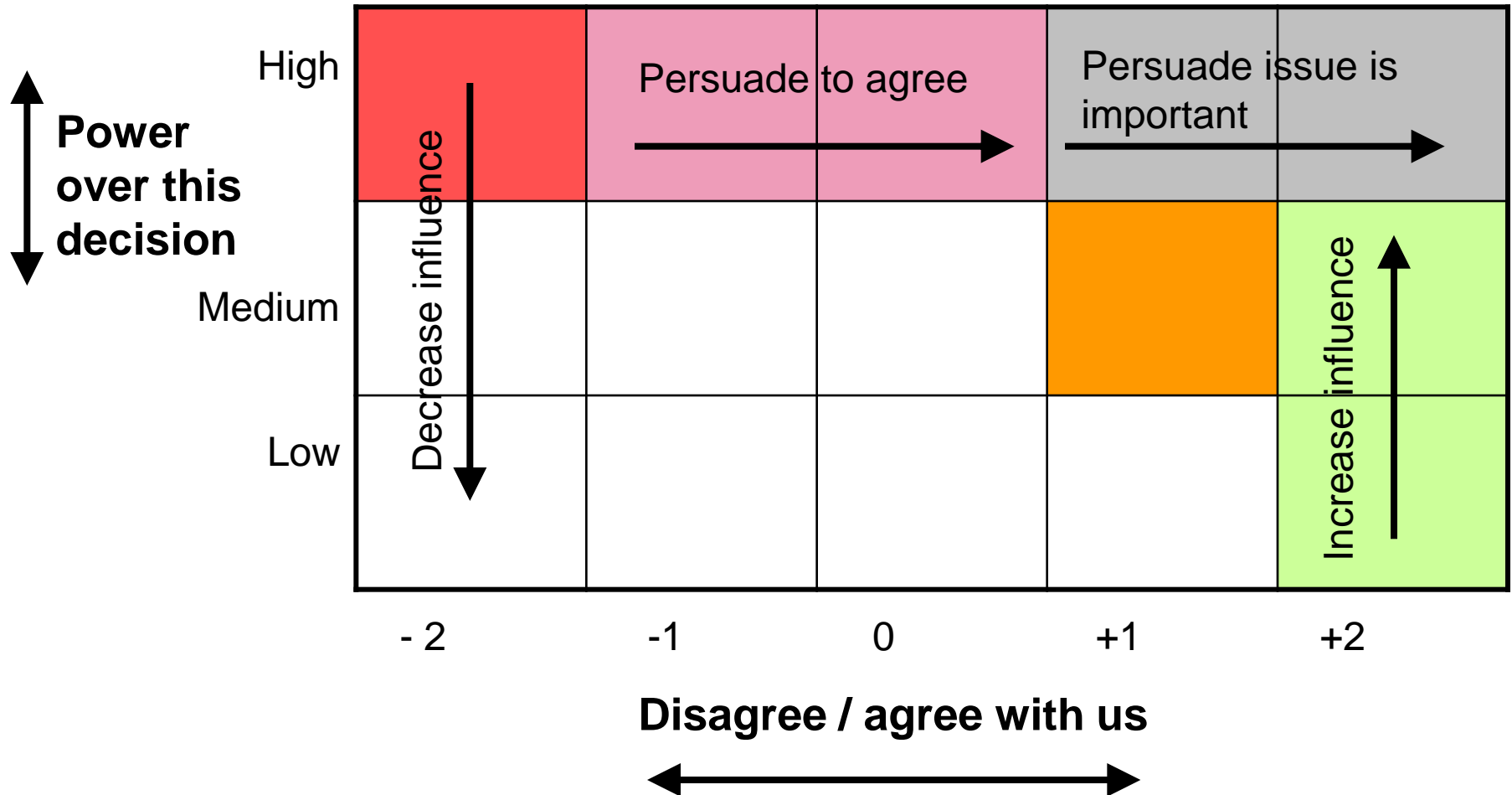
National investment
authorities

Tax haven
governments

Corporate trade
associations

Targets, opponents and
allies mapping: Objective
One

Influencing strategies



Influencing companies to pay fair tax

Should ActionAid focus it's campaigning on Companies or Governments?

Companies

- Can react fast
- Profitability and competition is the motive
- Brands are sensitive to image
- Can influence politics
- Can more easily roll back on any commitments made

Governments

- Takes long time to get decision
- Can go against business (but does not like to)
- Law applies for every business doing similar activity – levels the playing field for leaders and late movers
- Influenced by business

Companies or governments?

- Getting at least some companies to support our legislative demands makes it easier to get legislation
- Some companies can provide positive examples that the legislation can be implemented which helps convince politicians
- Companies can join and help to lobby for positive change, because they want a level playing field

= ActionAid should focus it's campaign demands on BOTH companies and governments

Role of corporate campaigning

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- Change the corporate policy & practice
- Divide opposing force & gain corporate allies for legislative change
- Provide public with target they can relate to and engage as consumers – e.g. via their purchasing choice



Target company selection criteria

act:onaid

- Focus on one sector – use competition
- Geographical coverage – active in key areas for AA and in economy
- Make them part of the problem, presence of positive players an advantage
- Brands that known by consumer – consumer choice
- Companies with link to country in rich country where is ActionAid office – for security



What to look out for corporate campaigning

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- Get the evidence right
- Look for positive motivation
- Dialog with your target and their competitors
- Be clear about your objectives
- Always ask for public commitment

Corporate campaigning case-study



What was the problem?

South African organisation *Women in Farms* works with thousands of women farmworkers in the Western Cape to address poor pay and conditions. They organise in trade unions, and do advocacy.

AA UK worked with AA South Africa to produce report *Rotten Fruit* which details poor pay and conditions for women farm workers providing fruit that is sold in British supermarket called *Tesco*.

It was the first time *Women in Farms* had targetted an international company.

Who Pays?

How together, we made supermarkets play fair
overseas

inaid

2007

The campaign launches – calling for a fairer deal for the women in developing countries who grow the fruit and veg on our supermarket shelves. Over the course of the campaign 42,000 people take action.

2007

Gertruida Baartman (below), a South African farm worker supplying Tesco, addresses Tesco's London AGM: "I don't get paid enough to feed my children and I have to work with pesticides with my bare hands. I am here today to ask Tesco what it is going to do about my problem?"



2008

After ActionAid campaigners hand in a 25,000-signature petition to the Competition Commission to call for a better deal for women workers (right), the Competition Commission heeds our calls and recommends that the government sets up a new watchdog to force supermarkets to play fair overseas.



2009

Over 10,000 UK campaigners bombard Tesco with 5p pieces – the amount extra per kilo that would mean farm workers like Gertruida received a fair wage.

Tesco introduces new measures to conduct independent social and labour audits in all of its 800 farms in South Africa.

2010

All three of the main political parties go on record in support of the watchdog in their election manifestos.

September 2012

Campaigners contact Jo Swinson MP at the Department of Business, Innovation and Skills, and email their own MPs demanding that the bill includes the power to fine supermarkets.



2012

The bill to make the watchdog a reality is announced in the Queen's speech and starts making its way through parliament.



d

SUCCESS!



December 2012

A supermarket watchdog is set up with the power to fine from day 1. This could make a huge difference to the lives of the women who grow, pick and pack the goods that line our supermarket shelves and give us a way to hold supermarkets to account.

What was the result for the women farmworkers?

- Empowerment from being involved in the campaign – some went on to local leadership positions usually held by men
- Some shift of power on the farms
- Some improvement on pay and conditions on the farms
- British supermarket Tesco now requires audits of *all* their supplying farms in the area.

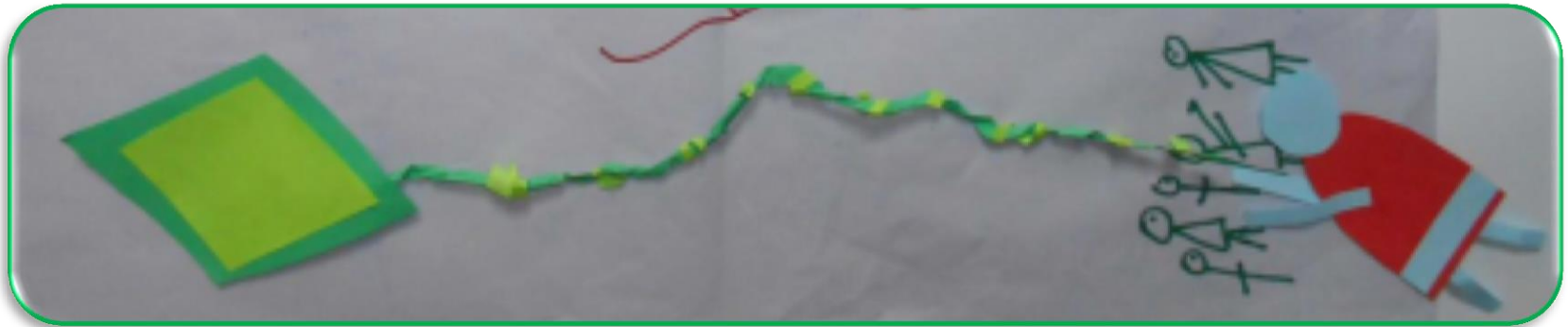
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How can we use evidence generated by programmes to support the Tax Power Campaign's demand for companies to pay fair tax?



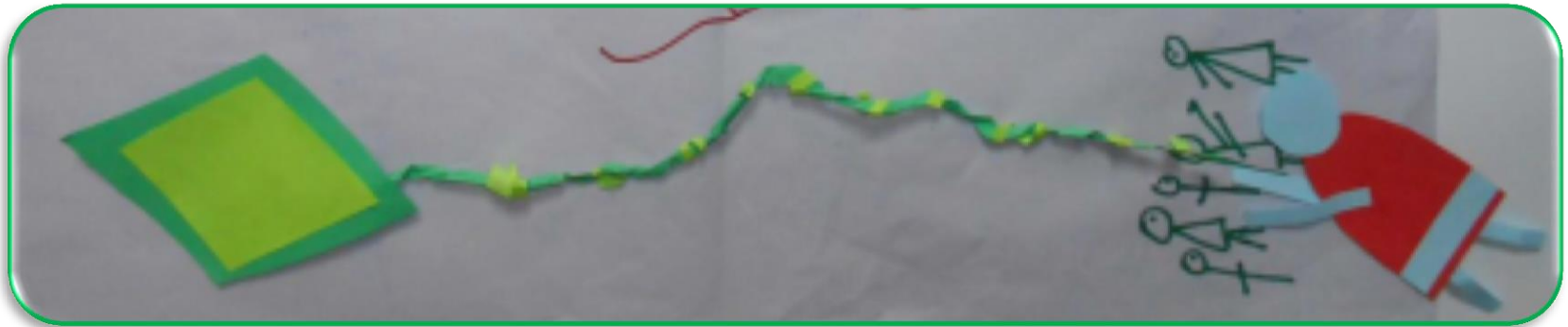
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- What methods / how can you involve local people in evidence collection? (eg. Surveys, interviews, pictures, scorecards, audits, budget tracking, community map, R-A tools, etc)
- How can you use the research at the local level? (eg. Post on local board, share with local parent teacher association, lobby district official)?



National evidence generation

- What type of evidence can staff, partners, journalists and public supporters at the national level provide to support a campaign for fair corporate tax raising to improve spending on service delivery? (eg. National education allocation, national tax laws analysis, lost national tax revenues calculation, etc)
- What methods / how can they do evidence collection? (eg. Consultant, journalist investigative reporting, etc)
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**Getting public engagement to
increase quality public
education through fair tax**

Foundational strand: Movement building

- 2 million **supporters take action on tax justice** and respond to 5 global campaign/fundraising appeals from 2013 – 2015.
- Activista networks are campaigning with ActionAid and our partners in at least 20 countries by 2015 and are supporting the growth of a **vocal global youth tax justice movement**.
- **Strengthen the Global Alliance on Tax Justice** and Trade Unions become part of it.
- ActionAid **builds movement** between education, women's rights campaigners, trade unionists, budget-tracking organisations and tax justice campaigners in 10 countries.
- **Progressive spending is the framing of the narrative** around the reform of tax rules in all countries where we are campaigning on tax power

Use the Tax Power campaign Reflection- Action toolkit to introduce tax justice to communities

act:onaid

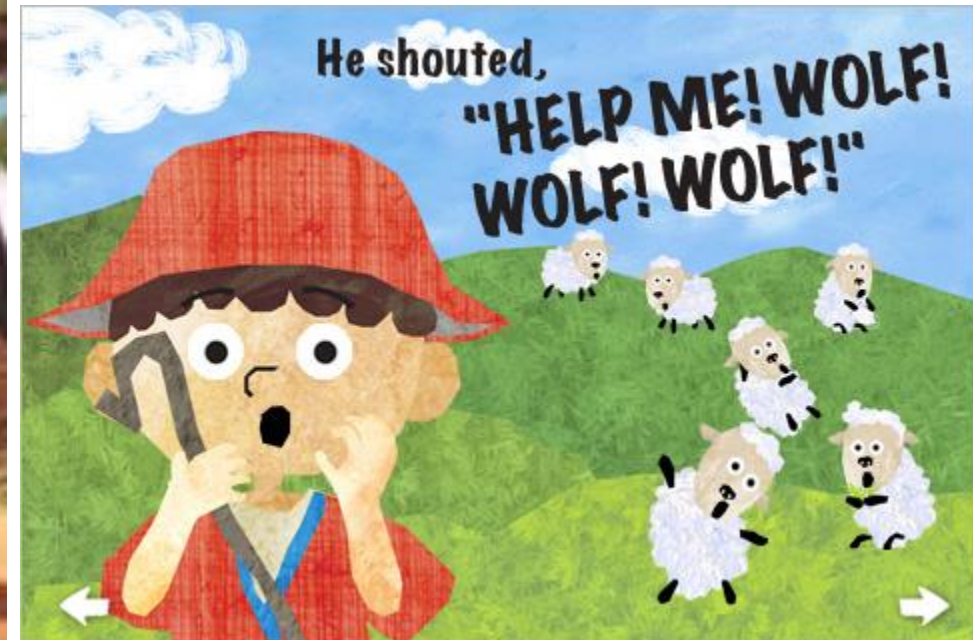


Human beings are not just convinced by facts – or by their head.

For thousands of years, human beings have told each other stories, to show what is good, and bad, who is hero and villain, and what kind of society we want to live in – these are the “moral of the story”.

Story-telling to win campaigns

act:onaid



Story-telling to win campaigns

act:onaid



*When elephants fight, it's the grass that suffers
-African Proverb*

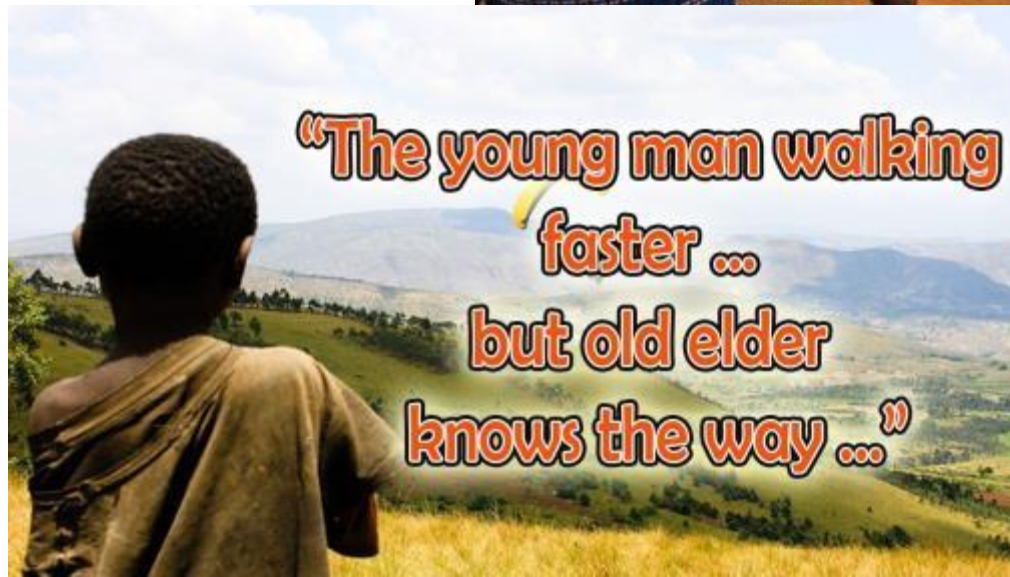


IF YOU WANT TO GO **FAST**,
GO **ALONE**.

IF YOU WANT
TO GO **FAR**,

go
TOGETHER.

African proverb



**"The young man walking
faster ...
but old elder
knows the way ..."**

Story-telling to win campaigns

act:onaid

When eating a fruit,
think of the person who
planted the tree.

- Vietnamese Proverb



Brothers and sisters are as close as
hands and feet
-Vietnamese proverb



The person who removes a
mountain begins by carrying
away small stones.

- Chinese proverb -



Story-telling to win campaigns

act:onaid



What ways do your communities have for sharing the common wealth (money and resources) for the collective good?

Ubuntu means people are people through other people - "Umuntu ngumuntu ngabantu." Ubuntu acknowledges both the right and the responsibilities of every citizen in promoting individual and societal well-being.

Nelson Mandela



What ways do your communities have for sharing the common wealth (money and resources) for the collective good?



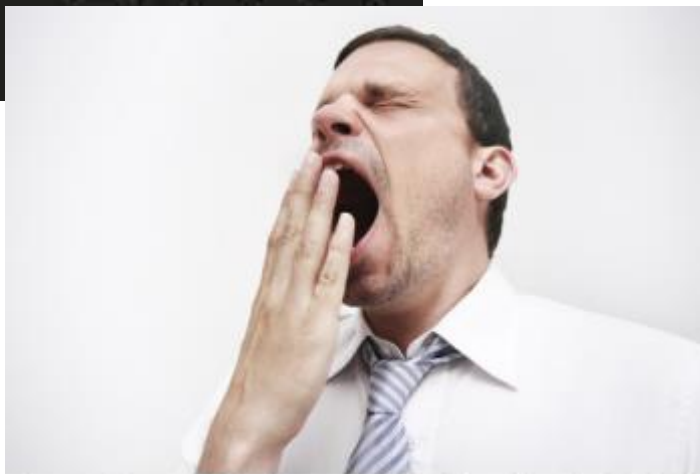
www.shutterstock.com · 150307961



Story-telling to win campaigns

**FINANCIAL
TRANSACTION TAX
NOW!**

0.05%



BORING

Imagine
a stack of
£50 notes
reaching
from the
Earth to
the Moon...

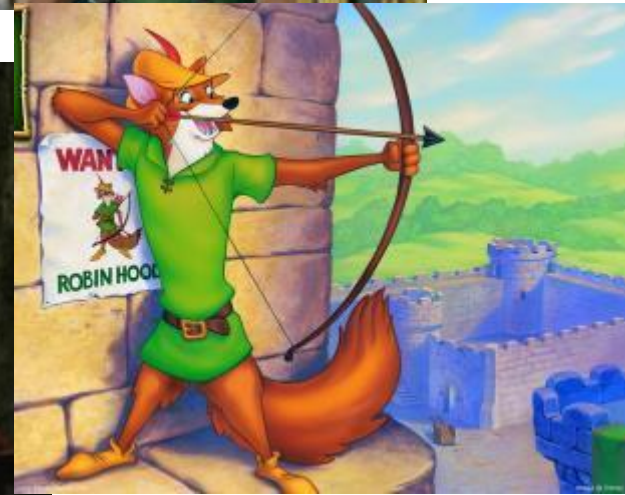
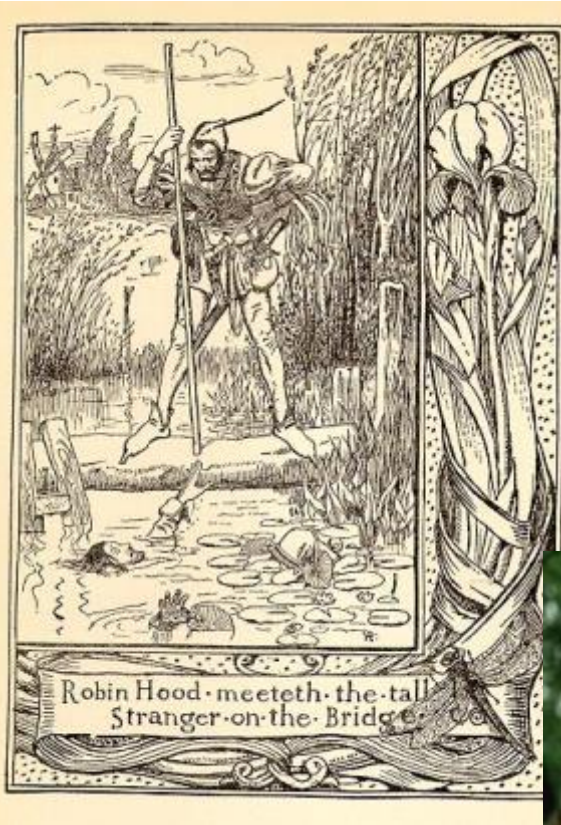


SUPPORT THE TOBIN TAX

Folk hero: Robin Hood

act:onaid

“Took from the rich to give to the poor”



THE ROBIN HOOD TAX



IT'S NOT A TAX
ON THE PEOPLE.
IT'S A TAX FOR
THE PEOPLE.



www.RobinHoodTax.org



PHOTO: NELSON BARNARD/GETTY IMAGES FOR ROBIN HOOD TAX

Story-telling to win campaigns: What folk tales, heroes, traditions and sayings that teach us how to be good do you have that could relate to tax?



Who is a hero and a villain in our Tax Power campaign story?

**Who can become a hero, and how?
Telling people how they can be the hero is empowering, and motivating to take action**

**Companies can change their behaviour
Governments can change the rules
Supporters can take action**

How to do public mobilisation safely and creatively?



Aim of public mobilisation:

1. Demonstrate large numbers of support
2. Get visibility for the issue
3. Maybe for people to be empowered – eg. reclaim the street / reclaim the night

How to do public mobilisation safely and creatively?

Many times public street demonstrations can risk ending up like this! Also, street marches need permissions and lots of time and money to organise.



How to do public mobilisation safely and creatively?

act:onaid



**AA Pakistan 16 days
of violence against
women**

**“Wear HER shoes;
Feel HER Woes,
through your Toes”**



How to do public mobilisation safely and creatively?

act:onaid

AA Uganda Black Monday anti-corruption campaign



How to do public mobilisation safely and creatively?

act:onaid



Sheetal Kumar
@jagetia83

Follow

#SelfieWithDaughter My Daughter, My Love, My Pride

4:00 PM - 1 Jul 2015



AA India Beti Zindabad – Disappearing daughters - #selfiewithdaughter



Kavitha Niroop
@kavithanir

#SelfieWithDaughter @narendramodi @Niroop @SriSri
3:30 PM - 1 Jul 2015
Tiruvandur, Kerala, India



Deepak Nahar
@DnNahar

Feeling proud as father of 2 daughters
One more reason 2 stand for #GenderEquality
#SelfieWithDaughter @narendramodi
2:15 PM - 1 Jul 2015

Follow

How to do public mobilisation safely and creatively?

act:onaid

Anti-landmine campaign shoe tower Trafalgar Square



How to do public mobilisation safely and creatively?

act:onaid

Artists flashmob poem video
outside police HQ



How to do public mobilisation safely and creatively?

act:ionaid

Amnesty Kenya school writing competition on human rights themes – winning poem published national newspaper and radio



How to do public mobilisation safely and creatively?

act:onaid

Activista Bangladesh – cycle for tax justice, flash mob, cultural show with comedy, theatre and music





**GOLDEN RULE 1:
ALL GOOD WRITING...
STARTS WITH THE
READER**

People are.....

- Busy!
- Selective – only listen to what is interesting to them
- Easily distracted
- Not development experts



So what will make them interested?



People are.....

- Busy!
- Selective – only listen to what is interesting to them
- Easily distracted
- Not development experts



So what will make them interested?



Golden rules of communicating **act:onaid**

- **Not what you want to say, but what do you want them to do?**
- **Information is not action!**
- **Language your grandmother can understand**
- **Dialogue not broadcast**



NGUVU YA KODI



Mwaka 2009/10 Bilioni 680.6/Sh zilipotea katika MISAMAHA YA KODI !!! Fedha hizi Zingewekezwa katika ELIMU zingeweza kununua Madawati 4,857,143 kwa Shilingi 140,000Tsh Kwa kila dawati.

**PUNGUZA MISAMAHA YA KODI KOMESHA
UKWEPAJI KODI,
WEKEZA ZAIDI KATIKA
KILIMO, AFYA NA ELIMU.**

actionaid.org

act:onaid
TANZANIA

A PARTICIPAÇÃO É A CHAVE DO DESENVOLVIMENTO



Participe activamente no processo de desenvolvimento da democracia para o seu país

act:onaid
Moçambique

Products that explain issue, get public to demonstrate support, and pass it on

actionaid

We could have better schools and hospitals if big companies paid all their taxes. But at the moment, tax dodging is costing billions every year.

Let's tell the government how our families could benefit from more tax money for our local schools, hospitals and public services.

Text the word **ACT** and your message to **11 22 33**



We will use your message to campaign with governments for big businesses to stop tax dodging, and keep you up to date on the campaign. Please note we will never give your contact details to anyone. You can opt out of this SMS at any time by writing OPT OUT to 11 22 33.



You can make a difference!



Call on AU Finance Ministers to **stop the harmful tax treaties and incentives** that rob us of revenues needed for schools and hospitals! Send a SMS starting with **TAXJUSTICE** to one of the following numbers:

MTN	0814 959 0000
GLO	0805 223 0000
AIRTEL	0808 222 2285
ETISALAT	0809 556 0352

Products that explain issue, get public to demonstrate support, and pass it on

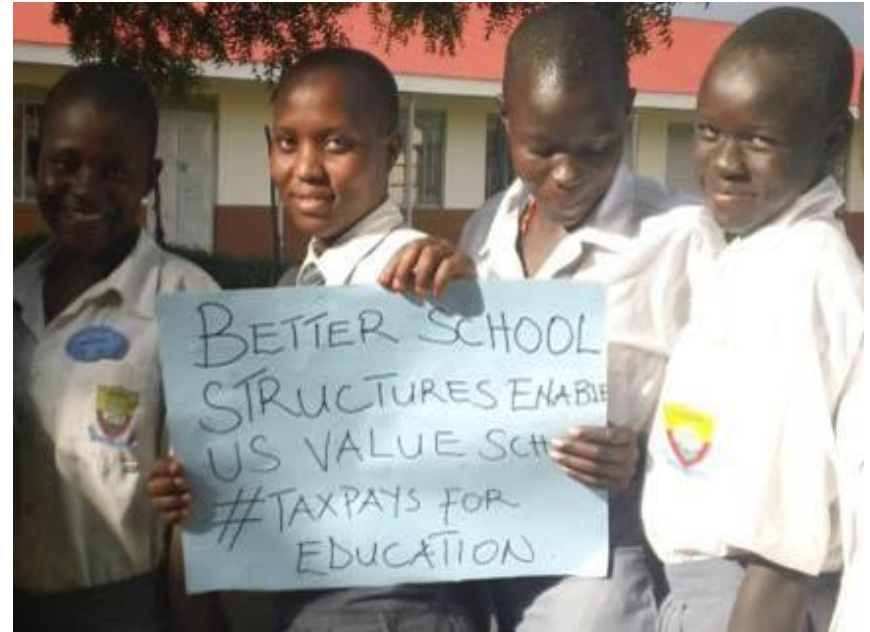
act:onaid

TAX POWER



Products that explain issue, get public to demonstrate support, and pass it on

act:onaid



Products that explain issue, get public to demonstrate support, and pass it on

act:onaid



Products that explain issue, get public to demonstrate support, and pass it on

act:ionaid

act:ionaid

HELP STOP

TAX DODGING

Developing countries lose three times more to tax dodging than they receive in aid every year. The UK may lose as much as £12 billion to tax dodging by multinational companies. It doesn't have to be like this.



JOIN THE CAMPAIGN AT:
TOWNSAGAINSTTAXDODGING.ORG.UK



Products that explain issue, get public to demonstrate support, and pass it on

act:onaid





AA Zambia

- **Community radio debate phone/SMS in**
- **Radio jingle**
- **Song on radio**

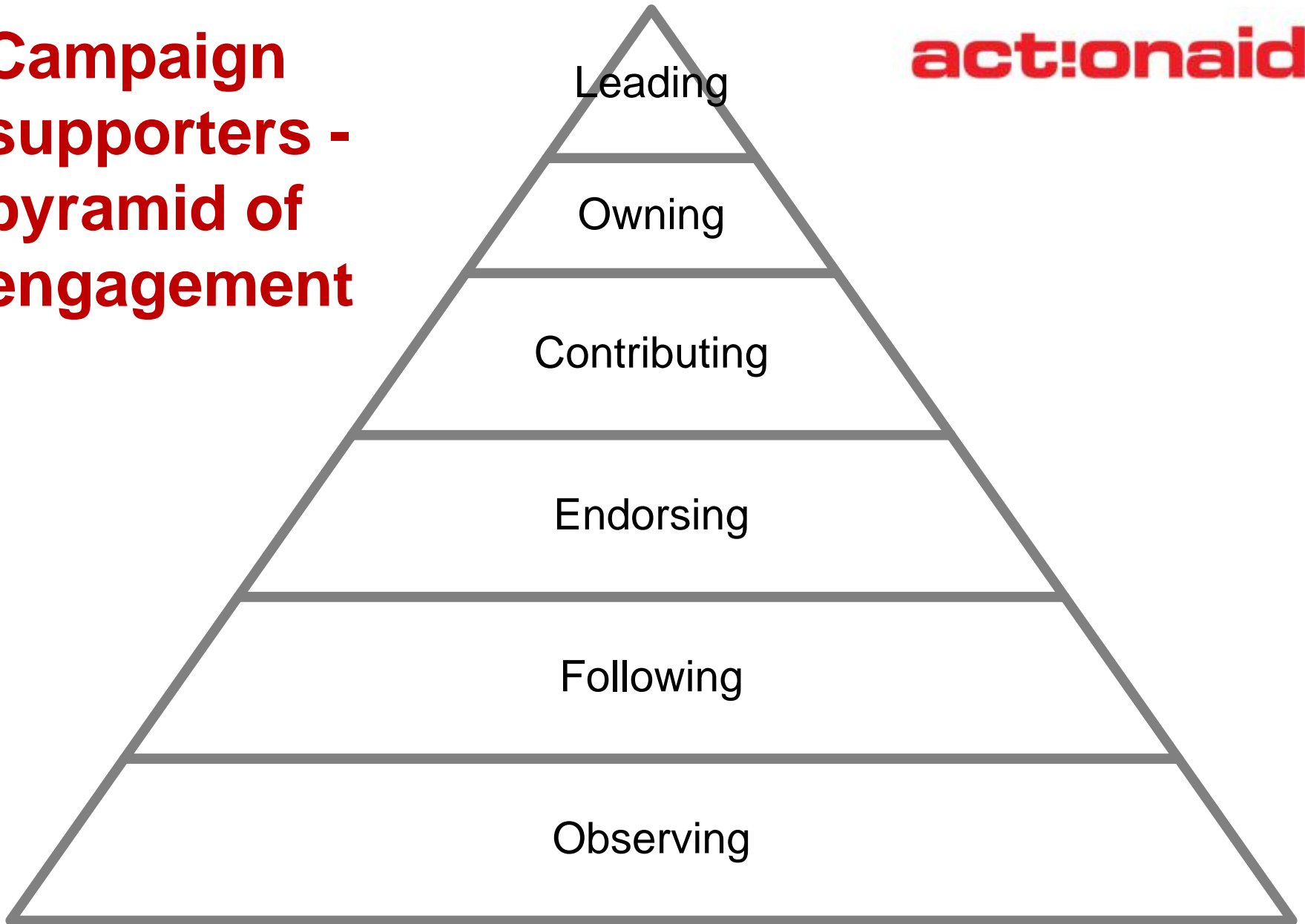
**Activista in 5 languages from across East Africa -
<https://soundcloud.com/collins-deuz/global-change-education-campaign-song>**

Definition of ActionAid “Supporter”

1. They have taken an action with us (donated, taken campaign action, attended event, volunteered)
2. We have their contact details
3. They have given us permission to contact them again

**Campaign
supporters -
pyramid of
engagement**

act:onaid



**Entry points for women's
lives to campaign on tax
justice?**

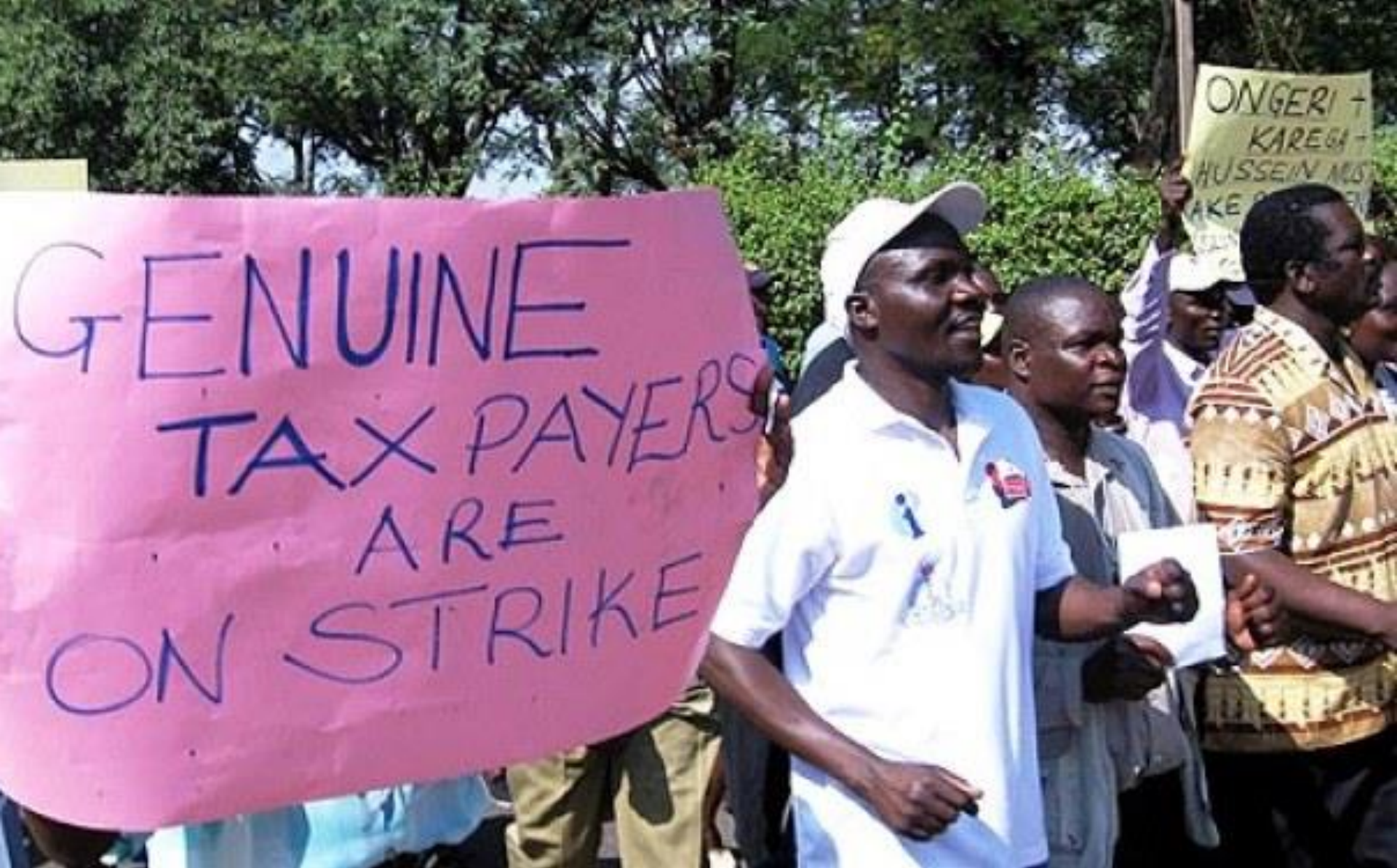




ActionAid Uganda mobilises women farmers to keep public funding for basic farming materials

GENUINE
TAXPAYERS
ARE
ON STRIKE

ONGERI -
KAREGA -
HUSSEIN MU
AKE



END
TAMPON
TAX

STOP
TAXING
PERIODS
PERIOD.



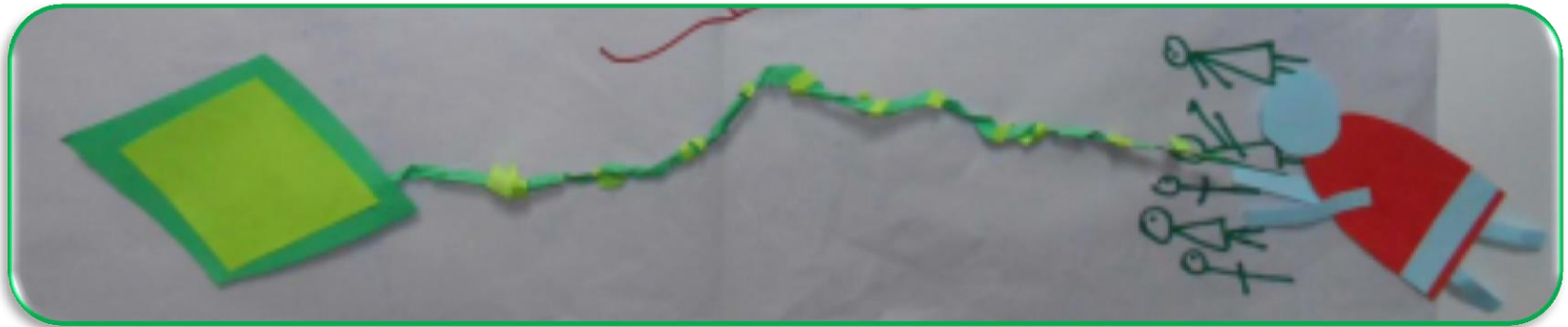
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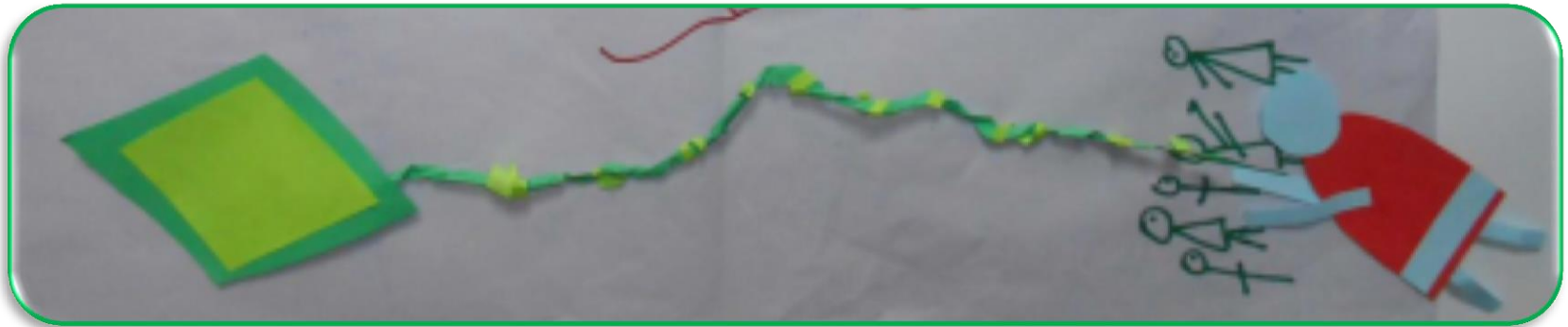
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Reducing risks in campaigning

Managing campaign risks



5 types of risk

RISKS/ ASSUMPTION	Likelihood Low(1)/ Medium(2) / High(3)	Impact on campaign Low(1)/ Medium(2) / High(3)	Risk factor (likelihood x impact Eg. $1 \times 1 = 1$ $3 \times 2 = 6$	MITIGATION
Legal risks				
Reputational risks				
Fundraising risks				
Security risks				
Capacity risks				

Managing risks on corporate campaigning

act:onaid

1. Try to be right

2. Be able to prove your right:

a. Documentation

Publicly available accounts & financial docs

Non-public financial docs

Other company or government documents

b. Working for all calculations/estimates

c. Interviews (notes/recordings/transcripts) – including confidential

d. Comments from internal & external reviewers

e. For every factual statement about a company or individual, could you prove it in court?

IF IN DOUBT, LEAVE IT OUT

Managing risks on corporate campaigning

act:onaid

3. Do your checks

a. Legal/libel

b. Technical – Ask an external tax investigator or an industry specialist

4. Offer companies the right to reply

- Put EVERY allegation to ALL companies named (Up to one week before you publish)
- Integrate responses in report
- Offer to publish their full responses alongside report

Managing risks on corporate campaigning

act:onaid

5. Keep great records

- Evidence
- Company dialogue/right of reply (all emails, phone calls, letters)
- Report/comments from external experts
- Report/comments from libel lawyer

- ALL your emails on the topic might be made available in court

Managing risks on corporate campaigning

act:onaid

Libel =

Defamation by written or printed words, pictures or in any form other than by spoken words or gestures.

Defamatory statements are those published or spoken which affect the reputation of a person, company or organisation.

A statement is defamatory if it **TENDS** to:



- Expose to hatred, ridicule or contempt.
- Cause shunning or avoidance.
- Lower in the estimation or right-thinking members of the public.
- Disparage in business, trade, office or profession.

‘TENDS’ is important. The person or organisation suing does not have to show that the words actually do expose to hatred or contempt

Common mistakes

“It’s been published before”

Just because it’s in a newspaper or another NGO report doesn’t mean it’s true. And just because they haven’t been sued, doesn’t mean you won’t be.

“We made clear we were just repeating someone else’s allegation”

For the purposes of the law, YOU are publishing the statement.

“We said ‘allegedly’”

This doesn’t necessarily help – the average reader may still understand a damaging meaning. In fact, it may make the position worse if it implies that you are not sure of your facts.

“Everyone knows it’s true”

Not relevant. However poor a company’s or an individual’s reputation, if you can’t prove an allegation is true, you’re in trouble.

Want more info?

Key ActionAid reports

- [Give us a Break: How big companies are getting tax-free deals](#)
- [Levelling up – ensuring fair share tax poor countries](#)
- [Sweet Nothings: The human cost of British sugar giant avoiding taxes in southern Africa](#)
- [Mistreated: The tax treaties that are depriving the world's poorest countries of vital revenue](#)
- [Getting to Good - Responsible Corporate Tax Practice](#)
- [The Price of Privilege: Extreme Wealth, Unaccountable Power and the Fight for Equality](#)

Tax justice glossary

Tax Justice glossary

Tax raising: How government raises taxes to have money to spend on public services and goods. ActionAid want a progressive tax raising system, and our Tax Power campaign is focused on ways governments can raise more corporate tax revenue.

Tax allocation: How a government allocates percentages of its annual spending budget to different sectors, such as health, education, defense, etc. ActionAid want government budgets to be progressively allocated and spent on gender-responsive public services.

Tax spending: How government budget is actually spent. Involves participatory, gender-responsive budgeting, budget tracking, and ensuring transparency and no corruption.

Tax Justice glossary

Progressive taxes: Taxes that charge more to those who can afford it most. That is, when your income or wealth is bigger you pay more. This protects the poorest who can afford it least. It has a redistributive effect in the economy, reducing inequality between richest and poorest.

Regressive taxes: Taxes which are applied indiscriminately without regard to individual wealth, for instance at flat rate no matter how much income or wealth you have, or which don't discriminate enough between rich and poor people. This means the poorer you are the more difficult you find to pay the tax. This can have the effect of increasing inequality.

Direct taxes: Taxes paid on individual wealth, such as income tax, inheritance tax, property sales tax, etc. Direct taxes are often more progressive.

Indirect taxes: Taxes charged which everyone pays regardless of individual wealth, such as taxes on goods you buy like VAT, petrol or cigarettes. Indirect taxes are often more regressive.

Tax Justice glossary

Tax justice: Tax justice is the issue. Many organisations are working for tax justice.

Tax Power: ActionAid's name for our tax justice campaign. Particular focus on corporate tax avoidance and incentives, and the impact this has on development and human rights in global south. Specific set of policy recommendations and campaign strategy. ActionAid are part of the global tax justice movement. We chose Tax Power to represent the power that tax has to transform society, the power governments need to claim to tax big companies, and the power people have to demand it.

Tax Justice glossary

Tax evasion = ILLEGAL. Law has been broken.

Tax avoidance = TECHNICALLY LEGAL, BUT OFTEN IMMORAL. Often there is no law, or a weak/bad law or policy, which a company exploits in a way not intended by the lawmaker to reduce its tax bill. Multinational companies often set up complicated artificial structures across borders purely for the basis of exploiting weak laws.

Be very careful whether you use evasion or avoidance. If you accuse a company of tax evasion and you don't have the evidence, the company could sue you. Journalists may need training in understanding the difference. If in doubt and not sure of evidence, use avoidance.

ActionAid's TAX POWER CAMPAIGN focus is on corporate tax avoidance. We feel this is a much bigger problem globally, and that the laws already exist for tax evasion. **Tax dodging** = Proving intention is difficult, and the dividing line between avoidance and evasion is often unclear. Sometimes ActionAid uses tax dodging when it could be either.

Tax Justice glossary

Multinational corporation (MNC): A company that has its offices and/or factories in different countries and usually have a centralized head office where they coordinate global management.

Parent /or holding company: A company that controls another company.

Daughter /or subsidiary company: A company that is completely or partly owned by another company that owns more than half of the subsidiary's shares, which partly controls the activities and policies of the subsidiary, and takes share of profit. Subsidiaries are separate, distinct legal entities for the purposes of taxation, regulation and liability.

Group of companies: The term for both the parent company and all its subsidiaries.

Foreign Direct Investment (FDI): Foreign companies investing money into another country, such as buying controlling shares, building entities, etc.

Tax loopholes: Gaps and weaknesses in national tax laws which companies exploit to reduce their tax bill, against what the tax law intended. Companies pay accountants and lawyers and set up complicated company structures to deliberately exploit tax loopholes and avoid tax. This may be legal, but immoral.

Tax Justice glossary

Tax incentives / tax breaks:

A reduction in tax bill offered by a government to a company often multinational companies not domestic businesses. Can include reduced corporate tax rates, tax holidays, special economic zones, reduced tax on goods brought into country, etc.

Harmful tax incentives:

Incentives whose effects are harmful for the economy, giving more away to the company in tax than the country receives in national benefits. Currently many governments are giving corporate tax incentives in an untargeted, untransparent way without parliamentary oversight, for unnecessarily long time periods. To be of benefit to a country, good tax incentives to companies must be given in a very targeted, transparent way, for time-limited periods, and governments need to track whether they are actually in fact helping the national economy.

Tax Justice glossary

Tax competition: Governments are competing against each other, offering more and more tax breaks, and lower and lower corporate income tax, in a tax “race to the bottom” or “beggar thy neighbour”. Governments can coordinate regionally to have a limit on tax incentives and corporate income tax reductions given regionally, taking a joint stand against companies pressure.

Round-tripping: When a company closes down, and opens up under a new name, with a new “owner”, in order to take advantage of a tax incentive only offered to new investment/companies. This is tax avoidance.

Tax Justice glossary

Tax haven / Secrecy jurisdiction: 1) Low or no corporate taxes; 2) With high secrecy (won't share information with tax authorities or others about company ownership, accounts and tax affairs); 3) Must be a real place.

“Shell” or “Mailbox” companies: A company having no physical presence, no employees and no commercial activity. Usually formed in a tax haven for the purpose to avoid taxes.

Transfer (mis)pricing: When companies in the same group but based in different countries trade goods or services between themselves, but at artificially inflated or reduced prices (not market price), for the purpose of reducing their profits in whichever country has the lower tax and thereby helping the company reduce their tax bill.

Tax treaty: Agreement between two GOVERNMENTS to divide taxing rights. Originally to avoid paying tax in two places, but now multinational companies are using global web of treaties to pay tax in no places! Currently tax treaties often favour paying tax where the parent company is resident, rather than where the subsidiary company does business.

Source taxation: Taking taxes in the country where business take places, profits are made, and resources extracted. Often in global south.

Resident taxation: Taking taxes in the country where the parent company resides. Often in global north.

Tax Justice glossary

Beneficial Ownership: The real person who ultimately owns, controls or benefits from a company. Companies set up complex systems across countries, especially in secretive tax havens, to hide the real owners, which helps them avoid tax.

Country by Country Reporting (CbCR): Currently most multinational parent companies produce one set of consolidated global tax reports, which makes it difficult to see what profits they've made and tax they've paid in each country they operate in, and easier to hide tax avoidance. We want them to produce annual reports which disaggregate the tax they pay for each country in which they operate so that they are more transparent.

Information Exchange: When two governments share information on tax affairs. Can help combat organised crime, tax evasion and tax avoidance.

Tax Justice glossary

Illicit Financial Flows (IFF): Money that is illegally acquired, transferred or spent across borders, such as: a) corruption, bribery and theft by government officials; b) criminal activities, drug trading, human trafficking, illegal arms sales; and c) tax evasion.

Domestic Resource Mobilization (DRM): A government creating revenue from domestic resources – different to just taxation because DRM can come from both the public and private sectors, and the public sector does this through tax and other forms of public revenue generation.

Base-Erosion and Profit Shifting (BEPS) process: The group of the 20 richest economies, the G20, and the OECD, another club of wealthy countries, have been working together on plans to reduce tax avoidance, particularly through tax havens. This is one opportunity for global tax rules reform. The G20 are important because many MNCs are headquartered in their countries. However, their work so far is not dealing with issues that matter most to poor countries.