For a tax system that expands public policies for social protection
Make those who have more, pay more

The COVID-19 (new Coronavirus) pandemic strikes our countries health, economically, politically and socially. The innumerable human lives that have been lost around the world deserve urgent changes in fiscal policies, changes that we, civil society, have been demanding for a long time.

Our already weak economies see their structures creak even more in the face of this global crisis that threatens to continue growing and deepening over time. Far from being close to a way out of the crisis, Latin American and Caribbean countries are accentuating the enormous inequalities present for decades in the region. The reality is that COVID-19 does not affect us all equally.

The governments of Latin American and the Caribbean countries must take urgent measures to serve the entire population, but fundamentally and especially, those at the bottom of the pyramid, those who are suffering the most from the consequences of this pandemic.

We, the Fiscal Justice Network of Latin America and the Caribbean (RJF ALC), urge all governments in the region to seriously rethink their tax systems with the aim of reviewing the collection and transparency mechanisms, to allow a greater flow of resources from those who have the most, towards the ones that need the most.

We have developed these proposals that can be put into practice, but that require broad social consensus. These proposals have been part of our network’s agenda, but we understand that, facing this specific conjuncture, they assume another dimension. Thus, are required:

1. Urgent measures in the short term:
   a. Make modifications to the general budgets in order to:
i. Reorient allocations to the health sector, to invest in the acquisition of respirators, medicines, salaries of medical personnel and improvement of facilities.

ii. Implement formal employment protection measures, as well as basic emergency income to cover unemployed workers, informal and self-employed workers and workers living in poverty.

b. Boost emergency wealth/fortune taxes and taxes on extraordinary profits, as well as taxes for the use of offshore jurisdictions, to solve these measures.

2. Medium- term measures to:

a. Deepen the fiscal control on large corporations through the opening of their accounting reports, location of subsidiaries, beneficial owners and tax information.

b. Raise the tax base, leaving aside regressive taxes such as VAT, while assigning income tax, wealth, and land taxes as central contributions to public budgets.

c. Deepen the fight against harmful tax practices (transfer mispricing, tax avoidance, use of offshore financial services, agreements to avoid double taxation)

d. Review the tax incentives granted to multinational companies, basing the review on the fact that the total tax expenditure - a good part related to these incentives - is equivalent to 4.6% of the Gross Domestic Product (GDP) of the countries of the region.

e. Promote the creation of a working group on fiscal and financial integration within the CELAC framework.

The risks that this pandemic entails are only possible in an unsustainable development model like the current one, where profit is above lives. We urge governments to deepen and develop fiscal policies that place human rights at the center of their concerns, so that we all have a dignified life. May the cost of the pandemic not fall on working families.

The members of the Fiscal Justice Network of Latin America and the Caribbean are:
Fundación SES (Argentina), CEDLA, Fundación Jubileo (Bolivia), Instituto de Justicia Fiscal, INESC, Auditoria Ciudadana de la Deuda (Brasil), CIASE y Red de Justicia Tributaria de Colombia (Colombia); Comisión Nacional de Enlace (Costa Rica);Centro Montalvo (Rep. Dominicana); Jubileo 2000 Red Ecuador y CDES (Ecuador); ICEFI (Guatemala); FOSDEH (Honduras), FUNDE (El Salvador); RMALC (México); CEDECAM, INIET y Coord. Civil
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