



**Tax & Fiscal
Justice Asia**

**Tax Justice for Public Services 2017:
Peoples' Money for Peoples' Rights!**

Asia is often lauded for its rising growth rates but behind this growth is also one of the fastest rates of rising inequality in the world. Among the most visible signs is persistent impoverishment, concretized by grave inadequacies in access to the most basic public services from health care and education to water and sanitation.

For instance, only 25% of Filipino children aged 0 to 5 in the poorest wealth quintile, while seeking treatment for an illness, had the benefit of visiting a public health service provider in 2005. Medical expenses remain largely out-of-pocket, resulting in disastrous consequences for the extremely poor and low to middle income groups.

Developing Asia also registers a significant 14% of the rural population with no access to safe drinking water sources as of 2010. More than 30% still have no access to improved sanitation in such countries as Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam. The situation is even worse in the South Asian countries of Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka where only 37% have benefited from improved sanitation services.

These scenarios are unsurprisingly prevalent in Asia, especially among developing countries in the region where public spending on social security and welfare hovers at less than 10% of total government expenditure.

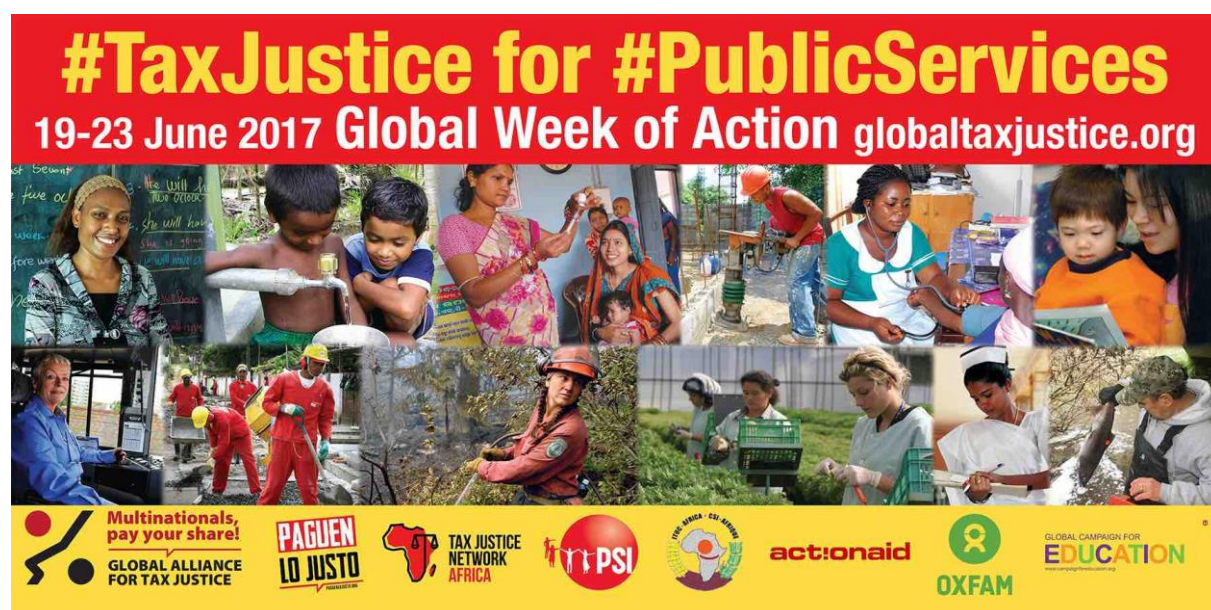
Compared to other sources of public money for public services, tax revenues are arguably the most predictable and enforceable. Yet in Asia, as in most developing regions, where human need for public service provision and delivery is most urgent and acute, tax revenues are not only channelled into expenditures that do not improve the lives of the poor and discriminated groups such as women and rural populations, but also pointlessly lost, to the benefit of narrow elite and capitalist interests.

The haemorrhaging of potential tax revenues takes various forms. Among the most damaging to the public purse are numerous tax incentives that remove or significantly lower tax obligations of politically influential wealthy elites, foreign investors and multinational corporations. The "extractives" industry across Asia enjoys many privileges in this respect, while inflicting often irreversible destruction on communities, local livelihoods and the environment.

Developing countries also continue to sign tax treaties with developed countries and tax havens, eventually ending up at the losing end of bad deals by having to surrender more of their right to levy tax on incomes earned in their territories.

There is little evidence that these measures have worked to attract foreign investment, much less the kind of investment that is genuinely aligned with pro-people development goals. Meanwhile, they remain major loopholes that multinational corporations and the wealthy maximize to dodge tax obligations, and through which, tax revenues that could have gone to basic social services, are forgone. This is further enabled by the lack of a global tax body and internationally agreed rules that can ensure developed countries and rich individuals do not exploit their economic dominance and political influence for narrow, profit-driven ends.

Access to essential social services is vital to the enjoyment of basic human rights – the right to education, housing, health, water and sanitation, a safe living environment, the very right to life itself. Citizens grant states the authority to tax in the belief that the revenues collected will be used to promote their interests, and in the process, serve to realize the human rights vital to a decent, humane way of life. Thus, states that abuse this mandate or shirk from this responsibility, and in effect, privilege private over public interests, violate legal obligations committed to human rights internationally, and all the more erode their authority to mobilize financial resources for urgent peoples' needs.



In marking the global week of action #TaxJustice for #PublicServices, we reiterate our demands for governments to ensure that tax revenues:

- are collected from the wealthy and multinational corporations, based on progressive income tax laws and their share of taxes;
- support adequate and predictable delivery of public services and social protections to address immediate needs and long-term sustainable development goals;
- go into social justice programs for democratizing the economy, specifically democratizing control over assets and resources;
- fund climate programs.

Specifically, we call for the following:

1. Build inclusivity into international tax cooperation through the establishment of an intergovernmental tax body within the United Nations and begin drafting a UN convention to combat abusive tax practices.
2. Require public country-by-country reporting for all multinational corporations.
3. Establish public registers of beneficial owners of companies and trusts.
4. Implement progressive tax policies and use tax revenues to fund public services and social protections as the vital means to ending poverty and inequality.
5. Ensure democratic, gender-fair and well-informed participation of citizens in budget processes.
6. Increase public spending on basic social services.
7. Curb tax competition to prevent a race-to-the-bottom.
8. Increase resources and south-south capacity building for tax collection agencies to ensure governments are able to make multinationals pay their share of taxes.
9. Protect whistle-blowers through a convention of the International Labour Organisation.

Asian Peoples' Movement on Debt and Development (APMDD)
and the Tax and Fiscal Justice Asia
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