# **SIZE MODULE**

# **PLANNING FOR ACTION - HIGHLIGHTING THE LOSS OF TAX THROUGH TAX DODGING**

**Aim of exercise.**

To develop advocacy messages to make the case for fairer taxation.

**Activity**

No one thinks it’s fair when they hear that public education is underfunded because multinationals are not paying their fair share of tax! One of the most powerful messages you can use to make the case for fair taxation is to show the amount being lost from companies not paying their fair share of tax and then highlight what this means for public education. Making powerful links between losses from companies not paying tax and the impact on public services has been shown time and again to be a successful way to show the moral imperative for changing companies’ behaviour.

This exercise is intended to get you started using statistics and making compelling advocacy messages about the immoral nature of this behaviour. This can help your network to reach out to others working on tax justice with a powerful single message linking their work to yours.

**Step 1:** See if you can find any estimates on losses from tax incentives, tax dodging, or lack of extractives royalties in your country. You might be able to get this information from your national tax justice or budget advocacy coalition. Alternatively, the regional Tax Justice Network may be able to give advice. Other possible sources include reports from the regional Development Bank, IMF or World Bank; budget speeches or statements; academic papers; Ministry of Finance and revenue authority reports; and newspapers. The big accountancy firms also sometimes publish lists of tax exemptions. Make sure you keep track of all sources for any statistics, and ideally get a peer review from an external expert (such as a member of the regional Tax Justice Network) to check your figures.

**Step 2:** Choose a compelling example to show what the lost tax could pay for in your country. This could be more children in school, more teachers, schoolbooks, school buildings, or an increase in the current education expenditure, for example. Make sure you have clear costings for the item you choose (i.e. per pupil spending, the cost of one teacher, present national spending on education, etc.). If estimates are already available for your country, you may need to update them. Where data is difficult to find you could use examples from a country with a similar context, making sure you translate the figures into your local currency so they can be easily understood.

**Step 3:** Use the information that you have collected to make a simple set of powerful advocacy messages based on the key issues in your context. These should illustrate what a difference it would make to education in your country if tax were not lost to avoidance or evasion. Try also to communicate how unfair it is that companies pay so little tax relative to normal tax payers. Think about who your message is aimed at. Do you need to develop different messages for different groups? To see how powerful such messages can b[e](https://www.theguardian.com/business/video/2013/feb/09/associated-british-foods-avoids-corporate-tax-zambia-video) look at some of these resources from ActionAid, such as this [video](https://www.youtube.com/watch?v=fgl7SyPzKYY), or this [report](about:blank) (or the examples we use in the module 2!)

**What to do in a workshop setting**

**Time allowed:** approximately 2 hours to work in groups

* Introduce the issue to the group. If some of the participants are relatively new to this topic and you want to get them to start thinking about the meaning of fair tax, before embarking on the exercise, you could use one of the introductory activities from ActionAid’s Tax Power Reflection-Action Toolkit [here](about:blank) to help introduce this
* Divide the participants into small (ideally single-country) groups. Depending on the time available and on the level of experience of the participants, they should either be handed a set of statistics for their country or given time to research these.
* Based on the country statistics, participants should then develop an advocacy message.
* Each group should find a creative way to present their advocacy message to the wider group.