



Public Services International

Tax Justice National Workshop, South Africa

10th to 11th November, 2016

1. Background

In every economy, a major source of government revenue is through taxes. Apart from the fact that these taxes are used to finance social and public services such as education, health care, social protection, infrastructural development, employment creation and sustainable development, they play a key role in reducing inequalities in all facets. However, at the global, regional sub-regional and national levels, it has become increasingly difficult for national economies to have access to the actual revenues supposed to be accrued to them through taxes. In both developing countries (as well as developed countries), Multinational Corporations (MNC) have employed sophisticated and illegal means of outwitting national tax systems so that they don't pay the right amount of tax due their country of origin or operation. This process is aided by a global tax system that is outdated, overly influenced by multinational corporate interests, and has excluded developing countries in the making of the rules.

The system has grown overly complex making it difficult for working people to understand, easy for large corporations to exploit loopholes and increasingly burdensome for governments to implement. Such a system places unnecessarily high administration costs on all countries but disadvantages most the least developed countries. These MNC operate within Africa and Arab countries, and even beyond. Their practices have deprived economies revenues from taxes. Through tax havens, transfer pricing and under reporting of their profits allow them to pay less taxes to economies. Meanwhile, these companies are making huge profits that benefits only their shareholders and financiers and usually shifted through tax havens to the global north.

According to the report of the High Level Panel on Illicit Financial Flows from Africa, commissioned by the African Union and Economic Commission for Africa, between 2000 and 2011, funds leaving the South African economy due to illicit financial flows account for about 4% of the country's GDP. The same report ranks South Africa third among 10 African countries in terms the cumulative illicit financial flows from 1970 to 2008. Within that period, \$81.8 billion was lost to the economy. In an economy with high levels of inequality including high cost of living curbing the spate of illicit financial flows provides an alternative to funding education and other public services in South Africa.

Within the mandate of the Public Services International (PSI) in Africa and Arab countries, the goal is to influence global tax rules through national government pressure, encourage regional tax co-operation and to get national government to employ efficient tax regimes which will ensure that governments have the financial capacity to provide public health care, education, water, energy, social protection, infrastructural development and a host of other public goods to its citizenry and working people. PSI believes that this is possible when Unions are organized



and trained to carry out effective campaigns while proposing alternatives for tax policy reforms. As a leading organization in the fight for Tax Justice, PSI shall work with its affiliates, private sector unions, national union centers and other non-state actors in order to achieve the goal of the Tax Justice agenda.

Against the backdrop of the underlying issues, PSI through support from FES is planning a National Workshop on Tax Justice among its affiliates and other stakeholder in South Africa from 10th to 11th November 2016.

2. Objectives

The main objectives of this workshop are as follows:

- i. Generally, create awareness among PSI affiliates in South Africa and other stakeholders on the issue of tax and Tax Justice.
- ii. Educate affiliates and other stakeholders on the role of tax in development and social justice such as creating employment and funding public investments such as education, healthcare, energy, water and infrastructural development.
- iii. Support affiliates to develop action plans for their national campaigns with an agenda to influence their national, regional and global tax systems for the benefits of working people and the citizenry.

3. Output

- i. A workshop report that outlines the relevant content of the training processes, key strategic statements made by leadership of affiliate unions and stakeholders, list of participants and action plans of affiliate unions in the coming year.
- ii. A 1page write up and pictures from the workshop. This will be submitted to the communication team of PSI for publication in order to give momentum to the Tax Justice campaign.

4. Expected Outcome

- i. Agree on the concrete course of actions for South African Affiliates working together with Civil Society Organisations to campaign on.
- ii. At the end of the workshop, affiliate Unions and other stakeholders should be in a position to strengthen and carry on with the campaign.



- iii. It should also come out with Unions and other stakeholders who will immediately need additional support in order to carry out effectively, their role in the campaign and identify what support is needed.
- iv. Harnessing organizing opportunities by identifying new allies-non-affiliated unions and civil society organizations.
- v. Identify activists that will serve as focal persons in advancing the course of the campaign.
- vi. Local media coverage of the events, including social media.

5. Methodology

The workshop will be (2) two days. The early part of the first day will be dedicated to an opening including few media interactions by political leaders of PSI affiliates, FES and the national trade union centre. The workshop begins afterwards. The training shall take the form of presentations, group work and individual demonstrations.

6. Participants

Participating PSI affiliated unions,

- National Education, Health and Allied Workers Union (NEHAWU),
- National Public Service Workers Union (NPSWU),
- Democratic Nursing Organisation of South Africa (DENOSA),
- National Union of Public Service and Allied Workers (NUPSAW),
- South African Municipal Workers Union (SAMWU).

There would be representatives from National Centre's. Additionally, there will be labour unions that are not affiliated to PSI, CSOs, NGOs, and public sector institutions. They are going to be persons who are in the position to influence policy within the jurisdiction of their organizations.

PSI Africa and Arab Countries office will be represented by the Regional Secretary and the Regional Tax Justice organizer, while representing PSI Southern Africa office will be the Sub Regional Secretary and Finance officer.



7. Programme Outline

DAY 1, 10 November 2016

Time	Session	Facilitator
09:00 – 09:30	Registration	
09:30 – 09:40	Introduction of participants	
09:40 – 10:00	Opening Session of the Workshop <ul style="list-style-type: none"> ▪ Welcome Remarks by NCC Secretary ▪ Opening address by PSI Vice- President 	Cde Nyameka Macanda Cde Thandeka Msibi
10:00 – 10:30	Key Input on the Efforts by COSATU & the public sector trade unions to Advance Tax Justice: A Pursuit for Quality Public Services delivery	Cde Adv Mpheane COSATU
10:30 – 11:00	TEA BREAK AND NETWORKING	All
11:00 – 11:15	EXERCISE: Where Does Everyone Stand on Tax Justice?	Daniel Orberko, PSI Tax Justice Organizer Africa & Arab Countries
11:15 – 12:00	Understanding Tax and the Tax Justice Campaign: A PSI perceptive on global tax justice agenda	David Dorkenoo PSI Regional Secretary Africa & Arab Countries
12:00 – 12:30	Discussion: Questions and Answers	All
12:30 – 13:30	LUNCH BREAK AND NETWORKING	
13:30 – 14:10	The Case of the South African Tax System: The pragmatic challenges, policy gaps and the varying concerns. Including in the ongoing Tax Justice campaigns	Mandla Hadebe Economic Justice Network
14:10 – 14:30	Why We Must All Rise, Unite and Mobilize to the Call for Tax Justice	Daniel Orberko, PSI Tax Justice Organizer



14:30 – 15:00	Discussion: Questions and Answers	All
15:00 – 15:30	Group Work/Commissions	All
15:30 – 16:30	Presentation of group work Plenary discussions & Comments	All
16:30 – 16:45	Conclusions & Closure	

DAY 2, 11 November 2016

Time	Session	Facilitator
09:00 – 09:30	Recap of Day 1	
09:30 – 10:15	The Lost Corporate Tax Revenue and the challenges to public service delivery	George Turner Finance Uncovered, UK
10:15 – 10:45	Discussion: Questions and Answers	All
10:45 – 11:15	TEA BREAK AND NETWORKING	
11:15 – 12:00	Wining the Tax Justice Campaign at National, Regional and Global level	Daniel Orberko, PSI Tax Justice Organizer
12:00 – 12:45	Group Work/Commissions	All
12:30 – 13:30	LUNCH BREAK	
13:30 – 14:15	Presentation of Group Work	All
14:15 – 14:45	Discussion: Questions and Answers	All
14:45 – 15:15	Next Steps and The Way Forward	All + Daniel Oberko
16:00 – 16:15	Official Closure by the NCC Chairperson	Cde Pat Mphela