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Education International's Press Release

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Tax avoidance by multinationals: this shameful game must stop

In the context of the current financial and economic crisis, education unions have been asked to accept severe cutbacks and austerity measures on the basis that there is no more money available for public services.

In the United Kingdom (UK), technical changes in pension plan design will cut 25 percent from the lifetime value of a pension, some teachers losing more than £50,000 in the value of their pension over a 20-year period. Union research has highlighted that people with the lowest levels of qualifications were most likely to suffer from a cocktail of the Conservative government's policies. It argues these policies will restrict access to education for both young people and adults, e.g. the axing of education maintenance allowances for teenagers; the tripling of university tuition fees; and, the introduction of fees and loans for working adults who want to retrain.

In reality, the money is available!

Education International (EI) and its affiliates in the United Kingdom, members of the Trades Union Congress (TUC), including the National Union of Teachers (NUT), the National Association of Schoolmasters/Union of Women Teachers (NASWUT), the Association of Teachers and Lecturers (ATL), the University and College Union (UCU), and the Educational Institute of Scotland (EIS), are now launching the study: *Global Corporate Taxation and Resources for Quality Public Services*.

EI is the world's largest federation of unions, representing thirty million teachers and education employees in about four hundred organisations in one hundred and seventy countries and territories. The study, commissioned by the EI Research Institute on behalf of the Council of Global Unions, underlines the shocking extent of tax avoidance by multinational companies, totalling trillions of US Dollars annually.

This EI study follows on from a previous study published in March 2010 by Global Financial Integrity, a research and advocacy organisation promoting transparency in the international financial system, estimating that current total deposits just by non-residents in offshore and secrecy jurisdictions were close to US\$10 trillion. The United States of America, the UK and the Cayman Islands are topping the list of jurisdictions.

In February 2008, Britain's Trade Union Congress (TUC) published a report estimating that £25 billion is annually lost to the UK from tax avoidance: £13 billion per annum by individuals plus £12 billion per annum from tax avoidance from the 700 largest corporations. This shocking level of tax avoidance was confirmed by research for the BBC's Panorama programme released in February 2009.

The EI study shows how powerful multinational companies use their global reach to avoid meeting their fair fiscal obligations. They achieve this, first of all, through strategies like exploiting legal loopholes and offshore tax havens. The study highlights the extraordinary statistic that an estimated 60% of all global trade is actually routed through tax havens.

EI President, Susan Hopgood, said: "Closing loopholes in international tax legislation will require changing attitudes, and calls for strong political will. The widespread acceptance of tax avoidance as a legitimate goal of large corporations must change. Unless this appalling and unjustified tax evasion is stopped, quality public education and other services will continue to be put at risk by cuts in public spending."

The Education International/Global Unions Study on Global Corporate Taxation will be launched at a public event on 28 November at the Council Chamber, Congress House, 23-28 Great Russell Street, London WC1B 3LS, UK.

Education International is the largest global teacher organisation representing over 30 million teachers in more than 170 countries and territories.

Press Release

Present at the press launch will be:

- Susan Hopgood, EI President ;
- David Edwards, EI Deputy General Secretary ;
- John Bangs, Senior Consultant to EI General Secretary ;
- Guntars Catlaks, EI Research Coordinator ;
- Christine Blower, NUT General Secretary ;
- Chris Keates, NASWUT General Secretary; or Patrick Roach, NASWUT Deputy General Secretary, and EI Executive Board Member ;
- ATL representative, to be advised ;
- Sally Hunt, UCU General Secretary ; and,
- Ronnie Smith, EIS General Secretary, and EI European Region (ETUCE) President.

For more information, please contact:

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