

Speech for Isolde at 'Women's Rights and Tax Justice' Conference in Bogotá

[Text in brackets and bold are headings and not to be delivered.]

[Introduction]

Thanks for the invitation to this timely conference as PSI is to launch a week of action on 17 -23 June to mark International Public Services Day, together with the Global Alliance for Tax Justice and Action Aid.

I am Isolde, President of EPSU, the European Federation of Public Service Unions, which is PSI's European region representing 8 million workers in health and social care, governments including tax administrations, energy and water.

Nearly 70% of EPSU's membership are women. As we have heard throughout this conference, it is women that suffer from a tax system that hands out gifts to the rich and multinationals. Meanwhile working-class women pay a disproportionate share in the form of consumption taxes, including on basics like water, energy and sanitary products. Public service workers are also mainly women. Women are the main beneficiaries of public services that should help to alleviate some of the double burden of care and unpaid household work, on the one hand, and paid employment, on the other. So when pay is cut in the name of austerity, and when services are eroded, it is women who suffer, and particularly working women. That is why tax and gender is so key to our struggles *as trade unions*. It is our members that suffer from the current, unequal system.

Tax justice and gender equality are both at the core of what EPSU does, as a trade union federation. With the short amount of time I have today I want to focus on just two examples of some of EPSU's work, focussing, given the topic of the panel, on cooperation with civil society

organisations and the added-value that trade unions bring to these struggles.

I do not have much time and, as I say, tax is one area where trade unions at European level have cooperated very successfully with civil society organisations.

[McDonald's]

The first example I would like to draw on is the tax shaming campaign against McDonald's. Together with a US union, SEIU--member of PSI—the European Federation that organises food workers, and UK anti-poverty group War on Want, we published a report to shed light on McDonalds' tax practices. Everybody knew about the poor working conditions and wages in McDonald's in many countries, and their anti-trade union practices. Few knew that this company also avoids a huge amount of tax – 1 bn € across Europe over a 5 year period. Indeed, the aim of the report was to link up with the struggles of fast-food workers in the United States for a \$15-an-hour minimum wage.

McDonald's is the second largest private-sector employer in the world. It is low-paid, undervalued work that is done disproportionately by women. And McDonald's workers suffer directly from the company's tax policies. In France, trade unions are arguing in court that the tax-dodging scheme deprived them of a profit-linked bonus that workers in that country are entitled to by law. Linking the tax issue to workers' struggles in the company in an example of how public and private sector workers can unite.

This report, *Unhappy Meal*, - SLIDE - found that the fast-food leader paid almost zero corporate tax in Europe. It shifted its profits derived from royalties into a minuscule company based in

Luxembourg with connections to Switzerland and Delaware, benefiting from Luxembourg's generous secret tax deals with the support of tax-advising firms.

The report has helped a lot in raising awareness in Europe, showing that not only the digital economy indulges in tax avoidance. It has helped increase the profile of trade unions fighting for tax justice.

Most importantly, it led to McDonald's being summoned twice to testify in the European Parliament. And it led the European Commission to launch a probe into McDonald's in light of EU competition rules. A decision is imminent, hopefully before summer.

If McDonald's is condemned in the same way as the computing company, Apple, has been, this will be a great achievement for transatlantic trade union-NGO cooperation.

Indeed, it would not have been possible without working across different organisational divisions—unions, civil society—and campaigning issues—tax justice, working conditions, environmental justice, consumer rights...

It shows the need to integrate our struggles and how tax justice is linked to the many, intersecting fights for equality.

[Example of public country-by-country reporting]

The second example I want to draw on is the campaign for public country-by-country reporting.

Transparency is essential to assess the scale of unpaid taxes and do something about it.

Some of our affiliates were already pushing for public CBCR, in the UK, Norway, so we were not starting from scratch.

I take it you are all familiar with the demand: we want companies to publish data on number of employees, profits, tax, number of subsidiaries, assets, broken down per country

Unlike the OECD's BEPS action 13 that sets automatic exchange of corporate information between tax administrations, we want real transparency. It means the right for the public to know what is going with corporate tax payment. For the unions in multinationals, many of which involved in the privatisation of public services, to access information on profits, number of employees is essential for our right to collective bargaining. And for under resourced tax administrations: public disclosure will help get public pressure to go after tax dodgers. Indeed, despite the haughty declarations of politicians about cracking down on tax dodging, a study we produced found massive cuts in tax administrations in Europe. As high as 22% in some countries.

We could also foresee that this information, combined with compulsory gender-pay reporting, could be a powerful tool to expose the economic inequalities between men and women in companies and the wider economy.

EPSU joined in the campaign led by Eurodad and Oxfam, we organised meetings, lobbied the European Commission. We have been on the streets and in the offices of decision makers.

Despite the opposition of business lobbies, a EU draft piece of legislation is on the table.

To have the principle of public CBCR is an important achievement but the proposal does not go far enough. It is limited to companies' operations in the EU. It will leave other regions in the dark about how much tax companies pay. It means we will not have the big picture but only a partial view of corporate tax payment.

–SLIDE

We have agreed with our affiliates and NGOs key demands for improving the proposal, and we just published 6 reasons why tax inspectors want public CBCR

Despite the weakness of the proposal, some EU governments are opposed to it including Germany and Sweden. Some of our affiliates have contacted their governments, but to be frank we need more affiliates, especially in Eastern Europe, to do so.

The vote in the European Parliament will be early July. Hopefully a majority will agree to a stronger, really global, public CBCR and this will help build pressure on national governments.

If a strong public CBCR is adopted, it should serve as an example to the rest of the world.

Corporate tax avoidance is not an insurmountable problem. There are measures that can be taken to tackle it. Maybe this conference could send out a clear message in favour of public CBCR. I think we would agree that truly global tax transparency should come through the United Nations. The work being done by PSI through the Independent Commission for the Reform of International Corporate Taxation is invaluable here.

[Conclusion]

What I hope is that these two examples show is both the strength of working across the traditional dividing lines of labour activism, women's struggles and development campaigning.

Tax justice is an issue that goes to the heart of the economic and gender inequalities of a global system we want to change.

They also show the specific added value of the trade union voice in these struggles. Tax is about work and about public services, both of which are 'gender issues.'

In Europe, we will continue to build on our successes working across these lines with civil society. We need to do more, particularly to bring women's organisations into the campaign, but we have gotten off to a good start.

Women's voices need to be heard in the tax debate, and I want to end on this point.

There are too few women with a place at the top decision-making tables, in the policy debate.

Here is an example – SLIDE – of a panel last month on tax justice in the European Economic and Social Committee, an advisory body that puts together employers, trade unions and some NGOs and advise the European Commission.

Out of 8 panellists there were two women, one from EPSU and the other from Oxfam, from the progressive side of the debate, as it were.

There were not only two women on the panel, they were introduced by the chair as the "radical voice." So we are not far away from when in the early 20th century the suffragettes campaigning for voting rights who were called hysterics.

But who are the radicals?

Those who practice and promote tax avoidance to increase private profits, which are used for both legal and criminal purposes, or those that are simply saying that companies make pay their fair share of tax where profits are generated?

Without progressive taxation there is no such a thing as a society based on human rights and sustainable development. And there can be know such thing as gender justice: a world where women, and men, can live in peace and prosperity and enjoy the full potential of their lives.

Thank you.