RESOLUTION No. 11) REDRESS TAXATION SYSTEMS TO ADEQUATELY FUND PUBLIC SERVICES

The 29th World Congress of Public Services International (PSI), meeting in Durban, South Africa, on 27-30 November 2012

NOTING that

1. Whereas several countries have made substantial budget cutbacks to their public services following revenue shortfalls due to the global financial crisis that began in 2007;
2. Whereas due to major financial difficulties experienced in numerous countries, monies allocated to public services were reduced to repair the damages caused to national economies by the profligacy of commercial banks and financial institutions;
3. Whereas Public Services International advocates that the regulation of world financial markets should be beefed up; demands that the guarantees given by national governments to the effect that public services would be protected from the impact of such financial crises should be fully respected; supports the intense efforts being made around the world to achieve the Millennium Development Goals;
4. Whereas public services are rooted in human rights, the rule of law and social solidarity; and that accordingly, sufficient and continuous public funding to properly deliver them is necessary;
5. Whereas public services are amongst the most important factors that contribute to the economic and social development of our societies, that they make the best possible services accessible to the greatest number of people, and that they play a central role in the redistribution of wealth;
6. Whereas enormous amounts of earnings elude any kind of taxation thanks to tax havens and offshore jurisdictions, thereby depriving nation states of the revenues necessary to adequately fund public services;
7. Whereas the harmful tax competition that is carried on by certain states or jurisdictions over taxation incentives play a key role in reducing the revenues that these states are able to allocate to funding public services;
8. Seeing as companies profit extensively from the public services that are available to conduct their business activities and make a profit;
9. Deploring the fact that numerous fiscal measures introduced over the past 30 years in most countries have led to a marked decrease in the contribution made by businesses to state revenues, and accordingly, to funding public services;
10. Deploring the biggest single cause of corporate tax avoidance through what is called transfer pricing;
11. Demanding accounts to be prepared on a ‘country-by-country’ basis so that they highlight the tax haven activities of companies and provide comparative data on labour conditions worldwide.

The PSI 29th World Congress recommends that the Executive Board and member organisations:

A) demand that the bilateral and multilateral agreements that provide the means for using tax havens to circumvent the payment of taxes be abolished; and put pressure on governments, public bodies and international institutions to put an end to the phenomenon of harmful tax competition – preferential tax treatment or status, offshore jurisdictions, etc. – in order to increase the financial resources that are necessary to support quality public services;

B) demand that fiscal measures be introduced or abolished, depending upon the particular context of any given country, to ensure that the contribution of business to state revenues is increased, so as to re-establish a better balance between the taxes paid by individuals and those paid by business towards the funding of public services;
C) demand Tax Information Exchange Agreements with all identified secrecy jurisdictions so that they are forced to raise their standards of information exchange;

D) demand that the European Union, the International Accounting Standards Board, the Organisation for Economic Cooperation and Development and stock exchanges must all require that multinational corporations prepare their accounts on a ‘country-by-country’ basis so it is known how much profit and tax was paid in each country in which they have operations.

See all Congress resolutions including the Program of Action and the Constitution.