



RESOLUTION No. 12) EDUCATING AND MOBILIZING WORKERS AND THE PUBLIC IN SUPPORT OF FAIR TAX SYSTEMS TO FUND HIGH-QUALITY PUBLIC SERVICES

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

NOTES the following:

High-quality public services are integral to the common good, the needs of a modern society and the development of democracy. Research has demonstrated that the level of public spending is powerfully linked to the growth of the economy and benefits to society. There is, in fact, a direct correlation between public spending, and economic growth and social progress. It is our job to educate our members and the public about this connection and take action in support of policies that improve funding for high-quality public services.

David Hall, research unit director at the University of Greenwich in London, has shown that those nations with greater public investment in infrastructure and public services are better able to grow their economy and meet the needs of their citizens. However, stable funding for this type of investment requires a fair and equitable tax system that can provide consistent revenues over the long term. The Financial Transaction Tax, a small-percentage tax on institutional trades of currencies, stocks, bonds, derivatives and interest-rate securities, has improved the reliability of the tax system and made it fairer and more equitable for all citizens.

Workers, the general public and decision-makers need to be aware that forced austerity during these difficult times is a recipe for disaster that will lead to further recession and depression. We can make progress toward a better economy if we educate our members and mobilise the public around issues that support better tax policy and improved funding for high-quality public services.

Whereas expanded investment in public services can secure and create the high-quality services needed by employers, workers and citizens alike; and

Whereas public financing is essential for good transportation, electricity and water quality, as well as for services such as healthcare and education that are necessary for a properly functioning modern economy; and

Whereas economies that perpetuate inequality and poverty tend to limit tax revenues necessary to support public services, thus limiting economic development for the entire economy. Conversely, nations with progressive tax policies tend to support a cycle of economic growth, generating increased tax revenues for continuing investment in high-quality public services for the benefit of society. Additionally, high-quality public services can benefit those at the lower end of the economy and help bring about greater equality and opportunity for all; and

Whereas over the past several years, private financial institutions have engaged in market manipulation and anti-consumer practices that threaten the economy of nations around the world. These practices have led to wild swings in the market that have devastated economies, nations, communities and workers. This volatility has allowed for the creation of economic bubbles that burst with growing frequency, tearing at the fabric of our society; and

Whereas government spending on infrastructure, services and job programs can be our most effective tool in dealing with the volatility of the market. Also, in terms of adding jobs and efficiently

addressing the needs of nations devastated by the recession, government spending has been much more successful than waiting for assistance from private financial institutions; and

Whereas the gap between assessed taxes and those actually collected is often extremely large due to widespread tax avoidance and evasion. Countries are simply failing to collect the taxes that are owed. This can be the result of illegal tax evasion, a culture of non-compliance or an inefficient and under-resourced tax collection system. In any case, such a culture sends a negative message to all citizens, undermining the legitimacy of the government and the tax system that funds government services; and

Whereas “job creating” public investment is too often provided to corporations and businesses through tax subsidies that go untracked, and the corporations and businesses that benefit from such public spending end up not being held accountable for creating the jobs promised in return for this investment; and

Whereas public investment in infrastructure and government services also serve to provide extraordinary benefits to the wealthiest corporations, businesses and individuals in our society. Yet, these same corporations, businesses and individuals often end up paying taxes at a rate substantially below their fair share. The result is that those at lower income levels bear a greater share of the overall tax burden in order to maintain services to society; and

Whereas governments need to establish fair, equitable and progressive tax structures that can guarantee necessary resources for proper investment in high-quality public services well into the future:

PSI CONGRESS RESOLVES

that Public Services International will act to support the implementation of tax policies providing greater fairness, equality and progressivity in order to improve funding levels for high-quality public services. Such policies are necessary to address the volatility that has become a regular feature of the worldwide economy; and

RESOLVES

that Public Services International will act to support the adoption of financial transaction taxes as a means of implementing a fairer, more equitable and more reliable system of tax collection. Adoption of such a system will enhance revenue collection and help deal with market volatility; and

RESOLVES

that Public Services International will work with its affiliates around the world and with other Global Union Federations to educate workers, union leaders, and community and political leaders about the need for tax and revenue reforms in support of high-quality public services. This education can move people to take action at every level of government to bring about necessary policy changes in support of public services. Together, we can mobilise the public in support of changes, reforms and new directions that will lead to a better economy for the common good.

See all [Congress resolutions](#) including the Program of Action and the Constitution.