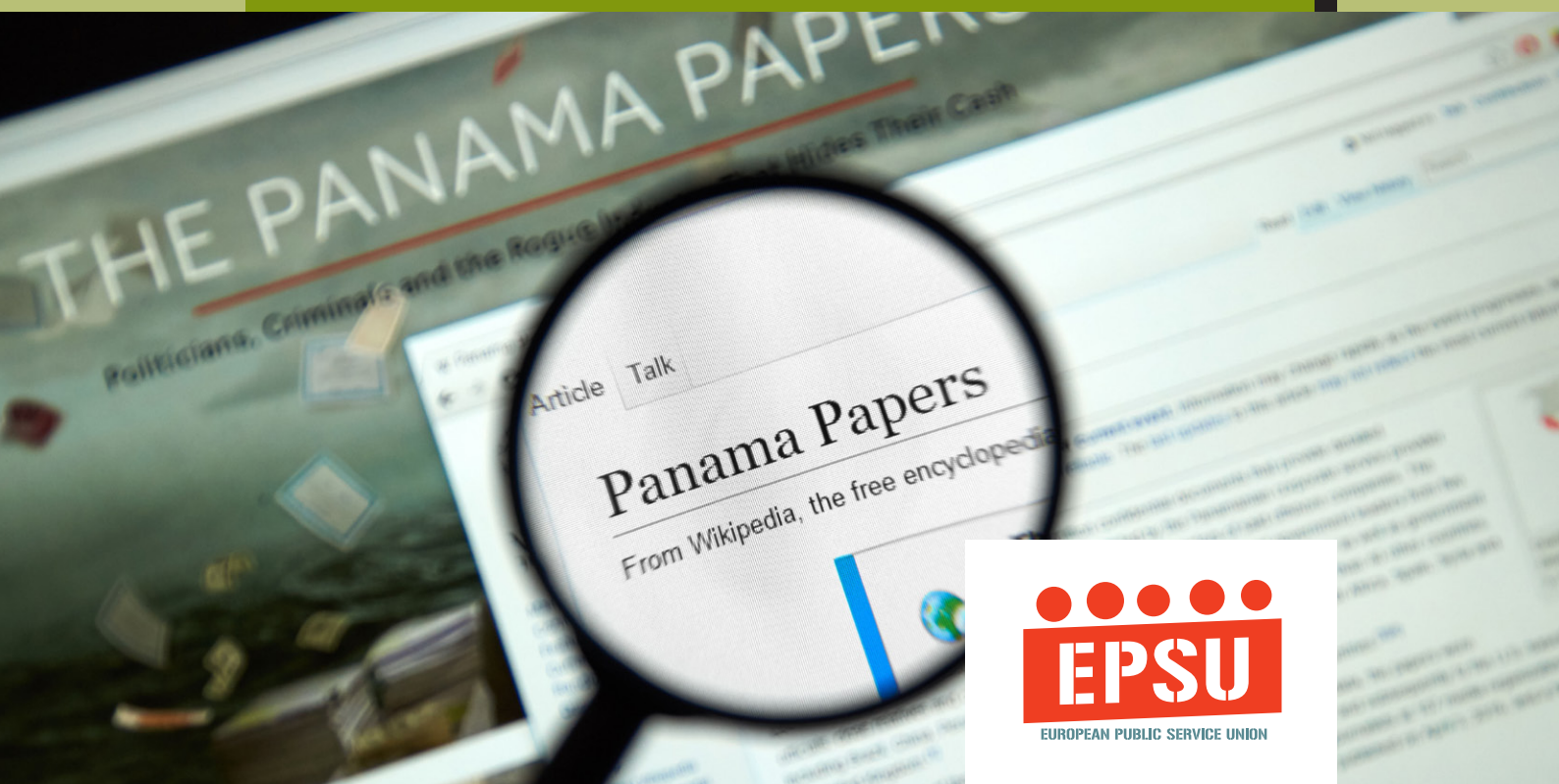


6. BRIEFING

Fighting for tax justice

In the lead up to the next Congress in June 2019, EPSU is producing a series of briefings that focus on some of the main areas of work for the next Congress period. Each briefing will provide an overview of EPSU's recent activities and will highlight the expected developments and challenges to be faced over the next few years.







A fair, progressive, transparent and effective tax system is crucial for sound public finances, quality public services and redistribution of wealth and income. This is why EPSU has been campaigning hard to tackle tax evasion and avoidance by large companies and wealthy individuals.

The of tax income lost to public coffers through use of tax havens and in dodgy deals with governments has been exposed by whistleblowers while our research into the McDonalds food multinational has revealed how major companies can exploit the system to cut their tax bill.

EPSU is determined to continue the fight for tax justice and this briefing highlights some of our main campaigning, lobbying and research work in recent years and the main issues that EPSU needs to address over the next Congress period.

Jan Willem Goudriaan
EPSU General Secretary



Fighting for tax justice

Main initiatives taken

- ✓ Exposing McDonald's tax avoidance policies
- ✓ Lobbying the European Parliament for tougher action on tax avoidance and stronger legislation
- ✓ Publishing research on the state of tax administrations across Europe
- ✓ Pushing for more progressive tax policies including for a financial transactions tax
- ✓ Supporting Luxleaks whistleblower Antoine Deltour and pushing for EU legislation on protection of whistleblowers
- ✓ Exposing impact of tax avoidance in developing countries

Many multinational corporations and wealthy individuals do whatever it takes to minimise their tax bills whilst lobbying hard against reforming business tax loopholes and opacity. EPSU has made this a priority issue and has been campaigning, lobbying and publishing research to expose the tax dodgers and fraudsters, support legislation and other action to rein them in and to highlight the challenges faced by tax administrations across Europe.

The scale of the tax avoidance problem has been exposed several times in recent years beginning in 2014 with the **Luxleaks** revelations about secret corporate deals (so-called tax rulings) with the government in Luxembourg. These were followed by the leaks of the **Panama** papers in 2016 and the **Paradise** papers in 2017 which gave an indication of the role of tax havens in syphoning off badly need tax revenues.

At the end of 2017 the European Parliament's special committee on the Panama Papers published its **report** with over 200 recommendations, many of which were in line with EPSU's calls for measures to improve tax justice.

EPSU has also helped shine a light on corporate tax avoidance. Working with EFFAT, the European trade union federation for food workers, the US services union, SEIU and the anti-poverty charity, War on Want, EPSU has published two reports on the McDonalds food multinational, one in **2018** and one in **2015**, showing how it has managed to reduce its European tax bill by more than a billion euros.

The first report led to the European Parliament opening an investigation into the company and in June 2018 McDonalds was summoned to an unprecedented **third appearance** in front of the Parliament's specially convened tax committee. In the meantime the company has also been **investigated** by the European Commission for possible breaches of state aid regulations.

EPSU has welcomed the fact that both European institutions have stepped up their work on tax fraud. The Commission has targeted several multinationals who it has suspected of effectively breaching state aid rules by doing tax deals with governments including **Apple**, **ENGIE**, Starbucks, Google, Fiat and Amazon.

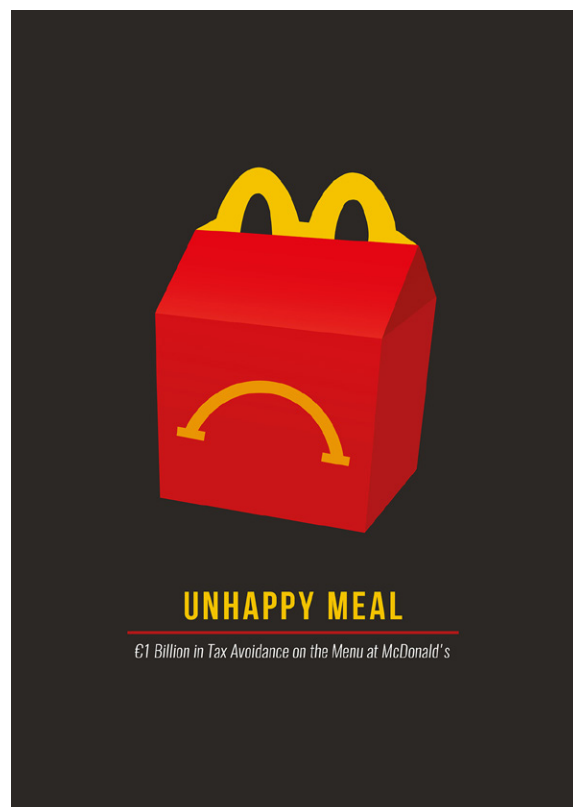
EPSU has been very active in lobbying around two legislative initiatives by the European Commission, the first focusing on the need for greater transparency through public country-by-country reporting and the second on establishing a common corporate consolidated tax base (CCCTB).

EPSU strongly supports legislation to require transnational corporations to provide public country-by-country data for tax purposes and its **affiliates in tax administration** have underlined the need for such measures in the face of strong opposition from business and some EU governments. **EPSU and other tax campaigning organisations (Eurodad and Oxfam)** identified the key areas where intensive lobbying was required to strengthen the draft legislation to make it an effective tool at EU and global levels.

EPSU sees the CCCTB legislation as a crucial step to controlling corporate income tax competition in the European Union and stop and even reverse the trend towards lower and lower corporate tax rates.

While the European Commission has shown it is willing to take on the multinationals around the question of tax avoidance and state aid its initiatives on tax havens have remained unconvincing. EPSU reacted critically to the long-awaited publication of the EU **blacklist** of tax havens, describing it as lacking coherence and transparency by excluding those based in the EU.

Although 10 countries remain committed to adopting an FTT, they failed to make progress on its scope and so in March 2017 EPSU along with the European Trade Union Confederation (ETUC), Public Services International (PSI) and several civil society



organisations sent a **joint letter** to EU governments urging them to act quickly to adopt an ambitious FTT proposal.

EPSU has highlighted the role of the big four international **accountancy firms** in promoting tax avoidance policies and raised questions about their lobbying and advisory activities in relations to the European institutions.

EPSU continues to make the case for action on tax dodging through its membership of the European Commission's platform for tax good governance and it has worked with the ETUC and other European organisations to argue for **progressive tax policies**. EPSU has welcomed the ETUC's initiative to set up a Committee (ad-hoc) to discuss tax issues.

At global level, EPSU works closely with PSI which has been active around the **Independent Commission for the Reform of International Corporate Taxation**, the **Global Alliance for Tax Justice** and EPSU has supported PSI's initiative to set up the Centre for International Corporate Tax Accountability and Research.

EPSU activity on taxation can be followed on the **EPSU website** and in EPSU's **annual reports**.

Main priorities

- ✓ Campaign and lobby for public country-by-country reporting and further initiatives by the European institutions to tackle tax fraud and challenge tax avoidance and use of tax havens by corporations and wealthy individuals
- ✓ Push for more resources for tax administrations and highlight the challenges facing tax workers across Europe
- ✓ Campaign for a positive agenda for progressive taxation including a financial transactions tax
- ✓ Work with the ETUC and PSI to strengthen coordination in European and global campaigning

The **European Federation of Public Service Unions (EPSU)** brings together trade unions from across Europe. Our eight million members work in local, regional and national government and European administration; health and social services and energy, waste and water.

EPSU works to influence the policies and decisions of employers, governments and European institutions that affect public service workers, their families and communities. We mobilise for action and change and are committed to achieving another, social Europe.

Improving workers' rights and pay and conditions by strengthening collective bargaining and defending the right to strike are core to our work.

EPSU is the European region of the global public services federation PSI and is a member of the European Trade Union Confederation.

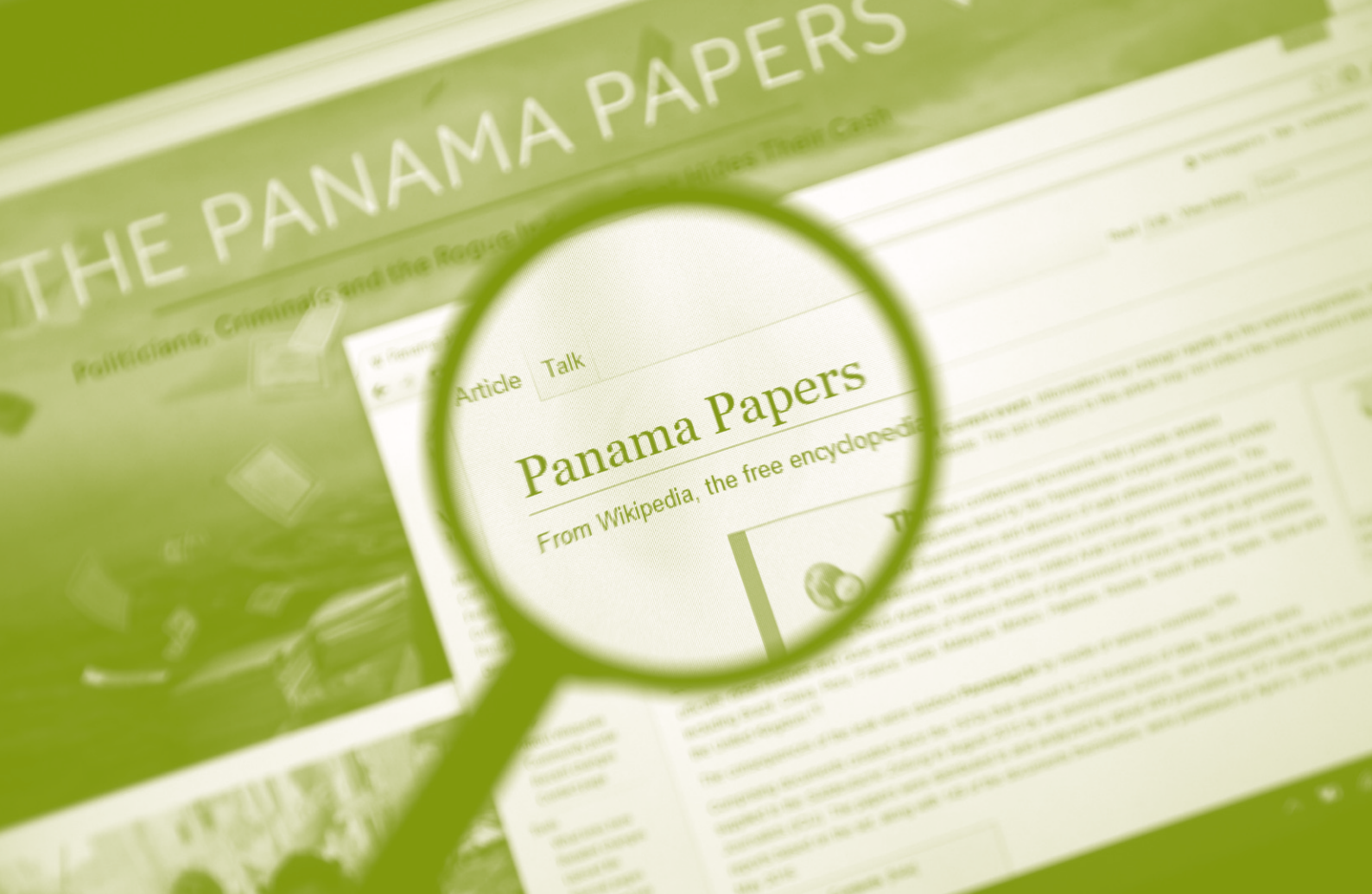
By sitting down with employers in the European social dialogue in electricity, hospitals and health services, local and regional government and central government administrations, EPSU negotiates best practice agreements that improve the working lives of public service workers and ensure quality services for citizens.

Women represent the majority of our members and gender equality is at the heart of everything we do. From negotiating with employers on women's rights in the workplace to exposing the scandal of the gender pay gap, EPSU is taking action for real equality.

EPSU fights against tax avoidance by the wealthy and multinationals that undermines our public finances. We are making the case for cast-iron exclusions of public services from international trade deals and we stand up for the rights of migrants, both in the workplace and in the services our members deliver.

EPSU provides a platform for our members to regularly share good practices in organising, recruitment and campaigning.

We campaign for well-funded public services and our members know that the services they deliver are not a cost to society but an investment in our communities. We're taking that message to the heart of Europe.



FIGHTING FOR A FUTURE
FOR ALL
10TH EPSU CONGRESS 2019
4-7 JUNE 2019, DUBLIN

EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 260 trade unions across Europe. EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighbourhood. It is the recognised regional organisation of Public Services International (PSI). For more information please go to: www.epsu.org