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Power in People

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## Transforming education through tax justice



Developing countries lose more tax revenue than they receive in international aid every year. Without this income, governments struggle to cover the costs of public services. With this ground-breaking project, we aim to increase tax revenue for high quality public education, reaching over 80.000 people.

Location: Malawi, Mozambique, Nepal, Tanzania and internationally  
Project timeline: 2016-2018  
Total project cost: € 3.130.000  
Funding gap: € 350.000

### Context & background

Every year ActionAid works with over 15 million people in over 45 countries to provide life-saving and life-building support. However, in an ideal world, there would be no need for our work, no need for aid at all. Imagine if governments had the resources to support their communities, giving their citizens the means – education, health, and infrastructure – to lift themselves out of poverty.

It has been estimated that corporate tax avoidance is costing developing countries US\$200 billion a year through corporate tax dodging, which means they **lose out more income than they receive in international aid every year**. Without these crucial tax revenue streams, governments struggle to cover all the costs of building vital infrastructure, providing much needed health care, and educating their country's children.

In Malawi, Mozambique, Nepal and Tanzania, primary education enrolment has significantly increased due to the abolition of school fees, but the **quality of public education is in decline**. The increased enrolment has not been matched with necessary funding to ensure resources, such as trained teachers, learning and teaching materials. Retention rates are poor especially for girls, due to lack of adequate school infrastructure, low parental awareness of the importance of education, early marriage and poverty. Moreover, low community and parental engagement in school management means a lack of scrutiny and transparency in the use of budgets, and little accountability of local education authorities. Citizens need greater understanding of the right to education and how this links to budgeting and resource allocation to their schools.

The overall aim of this project is to bring about sustainable improvements in the quality and availability of public education for all children. Not by building schools or providing supplies ourselves, but by using an innovative approach of progressive mobilisation of domestic fair **tax revenue to finance the necessary support for public education**. This is a truly global campaign, driven by civil society in developing countries. Working with 24 offices, ActionAid has been agenda setting on an issue that has been overlooked for many years.

## What we could achieve together

The project will build on the successful work of ActionAid to promote educational rights in schools and girls' education and link it to our ground-breaking work on progressive corporate taxation.

ActionAid and partners work in poor and marginalized regions of four countries where education indicators are lower than national averages: in Malawi, Mozambique, Tanzania and Nepal. This project will directly reach over 80.000 children from 144 primary schools.

**Outcome 1: Children, parents, community members and local civil society have a strong role in ensuring that local education services are of high quality, increase access for girls and are adequately funded by government through fair taxation.**

- Participatory training on (girls) rights to education, taxation and budget tracking;
- Community led research on quality and cost of local education;
- Empowerment of local groups to take a strong role in school governance and funding for improvements in local school quality as well as access and retention of girls;
- Local level advocacy to improve quality and funding for education through fair tax.

**Outcome 2: Strong national coalitions, teachers unions and civil society hold governments to account for progressive tax reforms that will lead to increased spending on public education.**

- National level research on fair tax revenue for quality public education;
- Production of public materials to engage teachers, parents and children;
- Mass citizen engagements to demonstrate widespread support;
- Media work to drive the public and political debate on funding quality public education through fair tax;
- National movement building between education and tax justice civil society, and participation in key influencing moments;
- National level advocacy with decision-makers to hold governments accountable.

**Outcome 3: International education and tax justice networks consolidate a global movement to advocate for improved progressive tax reforms and realization of right to education**

- International review workshops for sharing experiences and lessons learned;
- Multi-country research on cost of girls education and the effect of closing tax loopholes;
- International campaigning through research, stories, info-graphics, video, online tools;
- Alliance building and advocacy towards progressive international tax regulations.

### Tax justice breakthrough in Tanzania

ActionAid was one of the first organisations campaigning on Tax Justice in 2008. Starting out as a complicated issue only discussed behind the scenes, we have seen it grow to a highly important topic on the public and political agenda. Our partners in the South have increased pressure on their governments, which led to a huge breakthrough in Tanzania in 2015.

Tanzania's new government declared free and compulsory education from primary to secondary school using domestic revenue. This was funded through closing tax loopholes and removing tax incentives for multinationals, in which the ActionAid Tanzania team played leading role.



## How this project will lead to a lasting impact

ActionAid's work is designed to bring about sustainable change by developing long-lasting solutions to poverty, in partnership with local organisations and people living in poverty. As well as addressing the basic needs of communities, we tackle the root causes of poverty to bring about long-term sustainable change. We see eliminating the practice of companies avoiding tax as a key factor in the fight against poverty – by depriving governments of the tax that should be paid, this practice is ultimately keeping vulnerable people poor and increasing countries' reliance on aid. Righting this wrong will have a massive impact on those living in poverty – it's a long-lasting solution which aims to change the way that corporations operate, and put an end to tax injustice. Ultimately we are challenging one of the main structural causes of inequality. Taking action to ensure that governments have the resources to support their communities themselves, giving their citizens the means – education, health, and infrastructure – to lift themselves out of poverty.

## Monitoring & Evaluation

ActionAid will be using participatory, child-centred methodologies to ensure that children, parents, teachers, community members and local CSOs are consulted in planning and implementation e.g. in collection of data, analysis and feedback for citizens' reports, design of school improvement plans, represented in advocacy actions at local and national level. Indicators include amongst others the number of local actions to increase attendance and retention of schools; the percentage increase in local authority funds for quality education and the public understanding of tax justice issues. The extensive M&E framework with all indicators and baseline data is available upon request.

## Project costs

This is a large € 3 million programme, largely covered with funding from the NORAD (Norwegian Agency for Development Cooperation). However, NORAD requires match funding of €350.000. We are looking for investors who can help us match this funding gap. All contributions are welcomed and can (depending the size of the investment) be directed to specific activities or countries. With your investment, we can help up to 80.000 children in four countries get the funding for the quality education they need.



## Contact

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**Together we have the power to change the future.**

**Join us!**