

TIME FOR TAX: A SIXTH FORM WORKSHOP ON TAX JUSTICE

Teachers' notes

A workshop for students aged 16 and over to increase awareness of the role taxation plays in helping governments provide essential services, to explore the economic and social consequences of tax dodging, and to engage with Christian Aid's campaign for tax justice.

Workshop outline

Objectives

- To increase understanding of what the word 'poverty' really means.
- To understand the implications of taxes on the health and welfare of citizens.
- To empower students to take action to end tax dodging.

Learning outcomes

- Students will have considered the elements, material and immaterial, essential to a happy, healthy and fulfilled life.
- Students will have explored the impact of poverty on people living in Guatemala and Zambia.
- Students will understand how the needs of people in the United Kingdom, including the most vulnerable, are met through a range of essential services provided by the government.
- Students will have explored public spending in the UK: how money is spent and where it comes from.
- Students will have compared and contrasted provision of essential services in countries with different levels of

taxation and reflected on the impact of taxation on poverty.

- Students will have examined why and how companies sidestep paying tax and the social consequences of tax dodging.
- Students will have explored the potential for poverty reduction if international tax rules were changed to tackle tax dodging.

Preparation/materials

- A ball.
- Photocopies of the activity sheets and case studies, available at christianaid.org.uk/learn

Running the workshop

Introduction (15 minutes)

Ask students to stand in a circle and throw a ball between them. Every time someone catches the ball they should shout out a word they associate with poverty.

Split students into four groups and challenge each group to come up with one sentence that defines poverty within two minutes.

Ask representatives of each group to read out their definitions.

- **Do their definitions explore the social as well as material impacts of poverty?**
- **Have they considered the causes of poverty, as well as the effects?**

Read the following definition of poverty from Christian Aid:

Christian Aid believes that poverty isn't just about not having enough money, it's about not having the opportunity to control the essential things in your own life and the life of your community.

Christian Aid believes that at the heart of poverty is lack of power: the power, for example, to have your say and be heard, or to know your rights and demand them; the power to have access to essential services or to share fairly in the world's resources; the power to live in the security not only of surviving, but also of thriving.

Do students agree with this definition?

Now read the quotation below, from Humphrey Odour, chair of the Kiambiu youth group, Kiambiu slum, Kenya:

'Poverty is a culmination of the other things that have not been addressed. From a problem tree, poverty is the outcome, poverty is the fruit. If [you didn't go to school], what life would you expect?'

TIME FOR CHANGE: A SIXTH FORM WORKSHOP ON TAX JUSTICE

Teachers' notes continued

'In terms of employment you cannot get a good job if you are not educated. You end up getting a lot of children who you cannot support. So your seed will be a problem for future generations. They will inherit poverty. That is the fruit. We cannot deal with poverty directly without addressing the root causes.'

Explain that this workshop will examine some of the root causes of poverty and explore how these could be addressed by changing international financial systems.

Activity 1

Healthy, happy lives [10 minutes]

Hand out one copy of activity sheet 1 to each group.

Ask each group to choose a name, age, gender and country of residence for the person in their picture.

Then ask the groups to swap their sheet with another group and to draw the basic and essential things that the person depicted might need in order to live a healthy, happy, fulfilled life.

- **Are there any things that are needed for a fulfilled life that are difficult to draw? What are these?**

Examples might include: freedom, dignity, rights, laws, peace, creative expression.

Ask groups to add any additional 'invisible' needs in the thought bubble.

- **Do all people have the same needs, regardless of age and gender?**

Remind students that women and men might have some distinct health and social needs. For example, women might have particular needs concerning family planning and maternal health.

- **What about children or older people – what might their particular needs be?**

Ask groups to add in any additional needs, taking into account the age and gender of the person depicted.

- **Does it make any difference which country a person comes from, or do we all have the same basic needs, irrespective of where we live?**

Remind students that the discussion is about basic and essential needs, and that, of course, in some countries some basic needs are not met that might be taken for granted in other countries. Ask groups who have assumed some basic needs (for example, access to water, education, political freedom) to add these in.

Activity 2

Case studies [15 minutes]

Give each group a different case study. (There are four case studies included with the activity sheets, which can be found at christianaid.org.uk/learn)

Ask them to read through their case study and answer the questions in their groups. They will then present their case study to the other groups, explaining what the needs of each person are, to what extent these needs have been met, and what challenges the individuals still face.

As they are presenting their case studies, write up a list of the needs that they identify on the board.

Activity 3

Essential services [10 minutes]

Ask students to look at the list of essential needs you have listed. Ask them to suggest any others they have explored during this session that they feel are very important.

Allocate different roles to each of the four groups:

- Friends and family.
- Local government.

TIME FOR CHANGE: A SIXTH FORM WORKSHOP ON TAX JUSTICE

Teachers' notes continued

- Central government.
- Non-governmental organisations (which includes community groups, voluntary groups and charities).

Ask students to consider for which of the basic needs identified their group should be responsible.

- **In the UK, which essential services meet the needs of the population, and who provides these?**

Activity 4

Spend, spend, spend – UK central government spending [15 minutes]

Share a copy of activity sheet 2 with each group.

- **Guess how much the UK government spent in total in the financial year 2010/11?**

The answer is approx £691bn. You could award a prize to the person with the closest answer.

- **How do you think that budget was split between government departments?**

Ask groups to allocate spending estimates to the five government departments shown in orange on the worksheet. Tell them the

correct totals and ask them to write these on the sheet:

- Department of Health: £106bn
- Department for Education: £58bn
- Ministry of Defence: £39bn
- Department for International Development: £8bn
- Department of Energy and Climate Change: £8bn

- **Now the million dollar question (or rather, the 691 billion pound question): where did this money come from?**

If students cannot answer this question, explain that the government raises money through taxation. (If a government budget exceeds the amount raised through taxation in any given year then it has to borrow money to fund the excess.)

Most people and companies who work, earn or make money in the UK pay tax on their income. Even if you don't work, you pay tax every time you buy something; VAT (value added tax) is added on to the cost of most things you buy. Paying tax is a way of ensuring that everyone's basic needs can be met, irrespective of their income. And when

everyone's basic needs are met, societies tend to do better.

Activity 5

Match the fact! [10 minutes]

Explain that many people living in poverty are living in situations where their basic needs are not being addressed and where they are not being supported by the infrastructure, healthcare, education and welfare systems that are provided by governments of more developed countries.

There are many reasons why governments might not be able to meet the needs of their people. Ask students to suggest some reasons (these might include historical, political, economic, social and environmental factors). Explain that, generally, poorer countries struggle to raise tax revenue from the general population, as people tend to have lower incomes.

Hand out activity sheet 3. Ask groups to allocate the facts to different countries by drawing lines from each statement to the country they think it belongs to, or by cutting out the facts and arranging them by country.

You can go through the answers below with groups.

TIME FOR CHANGE: A SIXTH FORM WORKSHOP ON TAX JUSTICE

Teachers' notes continued

Zambia:

In recent years, this country has enjoyed a sustained period of economic growth.

This country has vast natural resources; it is the seventh-largest producer of copper globally and is also rich in cobalt (the mineral used to make mobile phones).

45 per cent of total population is undernourished.¹

The adult literacy rate in this country is 70 per cent.²

Life expectancy in this country is 49 years.

Guatemala:

Guatemala is ranked as a middle-income country.

This country is the world's fifth-largest exporter of coffee and sugar.

Almost 50 per cent of children are severely affected by chronic malnutrition.

Literacy rates amongst adults in this country are 74 per cent.³

Life expectancy in this country is 70 years.

United Kingdom:

This country's economy was in recession twice between 2008 and 2012.

This country's main exports are mineral fuels and machinery, including parts for nuclear reactors.

Three million people in this country, less than 5 per cent of the total population, are malnourished.⁴

Approximately 99 per cent of the adult population in this country are literate.⁵

Life expectancy in this country is 79 years.

- **What surprised students about these facts?**
- **Why are many people in Guatemala and Zambia living in poverty, when Guatemala is a middle-income country and Zambia is so rich in natural resources?**
- **What could governments do to support the needs of their poorest citizens?**
- **How could they pay for this?**

Tell students that it is estimated that these countries lose out on a huge amount of money through tax dodging:

- Zambia's estimated loss is £643 million per year.
- Guatemala's estimated loss is £51 million per year.
- The UK's estimated loss is £4 billion per year.⁶

Explain that aid is one way of investing in essential services. But Christian Aid believes that effective tax systems are a much better method. Ask students if they can suggest reasons why tax might be better than aid.

Reasons include:

- Tax reinforces democratic citizenship and accountability because citizens who pay tax are more likely to hold their governments to account over how they spend their budget.
- Aid sometimes comes with conditions set by donors that undermine democracy and do not increase economic development;

1 fao.org

2 undp.org

3 undp.org

4 <http://www.bbc.co.uk/news/health-14761421>

5 state.gov/r/pa/ei/bgn/3846.htm

6 tuc.org.uk/economy/tuc-16043-f0.cfm

TIME FOR CHANGE: A SIXTH FORM WORKSHOP ON TAX JUSTICE

Teachers' notes continued

governments are accountable to overseas donors and not to their own people.

- Dependence on aid carries stigma; tax is a more sustainable, fair and dignified way of ensuring long-term income.
- Many companies operate overseas, but some dodge tax in the countries where they operate. This denies income to countries who desperately need it, whose natural resources are plundered without fair recompense.

Activity 6

Tax rules are bananas (10 minutes)

Watch The Big Tax Return film at christianaid.org.uk/ActNow/trace-the-tax/background.aspx

Share activity sheet 4 with groups.

- **What is unfair about tax dodging?**
- **How might fairer tax rules transform the lives of people in Guatemala and Zambia, countries that are rich in natural minerals and export goods?**

Conclusion

Final reflection (5 minutes)

Draw a tree on the whiteboard. Revisit the words of Humphrey Oduor, from Kenya:

'Poverty is a culmination of the other things that have not been addressed. From a problem tree, poverty is the outcome, poverty is the fruit.'

If poverty is the fruit, what issues would students put on the problem tree?

Poverty is an outrage against humanity. It robs people of dignity, freedom and hope, of power over their own lives.

Christian Aid has a vision – an end to poverty – and we believe that vision can become a reality. We urge you to join us.

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More resources available at christianaid.org.uk/learn