

TAX & FISCAL JUSTICE: OUR REVENUES FOR OUR RIGHTS!

AN OPEN LETTER TO POLICY-MAKERS IN LIGHT OF THE COVID19 HEALTH CRISIS



Asian Peoples' Movement on Debt & Development, March 2020

As the COVID 19 public health crisis intensifies with alarming speed in many parts of the world including the Philippines, the adverse impacts on the poor and low-income, and those who are marginalized and discriminated, grow even more acute. It is a crisis of unprecedented magnitude and scale in our recent history, deepening pre-existing inequalities and spinning out more hardship especially for millions who rely on their daily labors for survival, and are without the essential social services government is mandated to stark provide.

This crisis has intensified at a time when the world traditionally marks International Women's Day/Month, reminding us that women continue to be discriminated by gender biases and thus face multiple layers of disadvantage in society. Whether in the formal or informal sector, Filipino women numbering millions, quite like women in many parts of Asia, are low waged or unpaid, receive little social protection or none at all, and remain without security of tenure. Many more have gone into precarious and miserable conditions of domestic work abroad to provide for their families.

In addition, women are socially obliged to take on the bulk of household work, source food, fuel and water, care for children, the sick and the elderly, at the expense of their time for rest, education and fuller participation in economic and public life. These burdens multiply further as women themselves strive to render services that they can no longer afford to pay for, or which governments have consistently failed to support. Especially in times of crisis – whether from climate change or public health emergencies – women's multiple burdens of care work and helping ensure families' economic survival increase in manifold ways.

At this critical time, we are pushed by exigency to accept draconian measures and asked to cooperate because "we have no choice". This is what fills us with rage -- that we did and do have a choice. The COVID-19 crisis feeds on multiple crises. At no other time in recent history than now has the crisis of underfinancing of public health systems and other social services stared us right in the face. Grievously lacking in an ethics of care that binds duty-bearers to the oppressed and downtrodden, the Duterte government and previous administrations wantonly place our people's well-being, their very lives and future on the line, while protecting and promoting corporate interests and the pursuit of private wealth and political gain.

Last March 3, the 25th year anniversary of the Philippine Mining Act of 1995 passed unnoticed, overshadowed by rising COVID numbers. But it should also remind us of a bigger picture where this crisis locates, a context that foregrounds important questions, why and how corporations like mining firms, profit so massively and are even favoured with many tax breaks, while development needs such as public health services are gravely underfinanced and women's rights remain largely unfulfilled. Revenues forgone from tax holidays given to the coal firm, Semirara Mining and Power Corporation, for instance, could have purchased thousands of testing kits and masks we so desperately need today. They could have been spent on preparedness, considering the string of other epidemics in recent years.

Meanwhile, contrary to the promise of a better life, local residents in mining areas are some of the poorest in the country, and among them, indigenous and rural women who are even more burdened and impoverished. They stand at the frontlines of resistance to protest the impacts of large-scale mining operations which pollute water supplies, destroy food sources, erode subsistence livelihoods and exacerbate their multiple work and care burdens. They count among the most vulnerable to crisis such as COVID19, the impacts of which we already see falling hardest on the urban poor, workers, vendors, and other economically marginalized and unprotected groups.

The cut of Php10 billion last year in the Health Department's budget follows a trend of disinvesting in public social spending despite glaring gaps. The Philippines' public health sector currently has a doctor: patient ratio of 1 to 33,000, way above the recommended standard of the World Health Organization of 1 doctor per 1,000 patients. Hospital beds number 1 available for every 1,121 patients as opposed to the World Health Organization's recommendation of 5 beds per 1,000 people. Nurses, a significant majority of whom are women, number a staggering 1: 40-80 patients, work up to 12 hours and receive only a minimum of Php16,000 a month.

The revenues forgone in 2014 alone could have covered more than 140,000 nurses -- far more than the number of nurses in the Philippines today. They should have been spent on ensuring access to safe, affordable and adequate water and sanitation services. They should have financed efficient and ample mass transport systems. They should have gone into strengthening our public health systems, such that we do not only respond when crisis breaks, but are committed to upholding and fulfilling the fundamental right to health and life at all times.

As we teeter on the brink from COVID-19 and many other aggravating vulnerabilities arising from poverty and deprivation, it is tragic to think of what might have been. But crisis also presents the opportunity to think and act on what should be done.

- **Scrap tax breaks for corporations! NO to cuts in corporate taxes!**
- **Re-channel revenues to quality public health and other essential social services!**
- **Uphold and fulfil the right to health, water and sanitation services!**
- **Food, health and transportation subsidies for workers, vendors, the poor and low-income!**
- **Make taxes work for women! Tax and fiscal justice now!**

Potential resources for public health: down the drain of wasteful tax incentives

The mining sector is one of the most preferentially treated sectors, tax-wise. Coupled with other measures, tax breaks are enjoyed by corporations and the wealthy resulting in the loss of billions of potential public funds that should have gone into strengthening our public health systems and infrastructure, and better ensured the overall capacity of our people to survive and overcome crises adequately and humanely. There have been many opportunities for the Philippine government to raise domestic resources for public health, but it chose to give these away. The possibilities are confounding:

	Assuming equal allocations of revenues forgone for each:		
Revenues forgone from tax incentives	Testing kits (UP - developed at Php1,320 each)	Hospital beds (estimated at Php10,000 each on average)	Masks (Php 4.5/mask average)
Overall, estimated forgone revenues from the income tax holiday granted to Semirara Mining and Power Corp. amounted to Php5.7million from 2008-2012 (Bantay Kita)	1,000	400	84,444
The government gave away about Php301 billion in revenues in 2015 alone as a result of tax incentives and other perks granted to only 2,844 firms (Department of Finance).	76 million	10 million	22.2 billion
Fiscal incentives led to Php2.25 billion forgone revenues in 2014 alone and almost Php75 million from 2015-2016 (Bantay Kita).	568,181	75,000	166 million
The Philippines gave away an estimated Php1.12 trillion in tax incentives and exemptions to a select group of 3,150 companies from 2015 to 2017 (Department of Finance).	282 billion	37 million	82 trillion