



Concept note
Global Days of Action for Tax Justice in the Extractives Sector
21-25 November 2022

Tax extractives excess profits NOW!

End mining, oil and gas profiteering at the expense of people and the planet!

The continuing impacts of the global pandemic and the climate crisis have spawned a glaring gap between a tiny set of winners and the majority of the world's population that have lost their homes, incomes, and livelihoods. Despite the onslaught of these multiple crises, corporations in the extractives sector continue to freewheel their way to massive profitability and amass wealth, often through questionable means.

Unlike recessions experienced in the majority of economic sectors worldwide, the extractives sector witnessed an extraordinary upsurge of profit and wealth accumulation. In 2022, net profits of the 40 largest mining corporations grew by 127% from last year, surpassing their pre-pandemic revenues by more than double. Even as mining corporations claim that high profits spur investment and employment, it is only shareholders and top executives that heavily benefited from the boom with a 130% rise in dividend payments and [rewards for top executives](#) while capital investments grew at a paltry 18%.¹

It's well known that the extractives sector has a long history of generating superprofits through colonial plunder, financial secrecy and aggressive financial reporting. Reports by the International Consortium of Investigative Journalists (ICIJ) in 2016² and 2021³ exposed that mining corporations systematically shift profits and wealth through corporate maneuvering and shell companies registered in low-tax jurisdictions. On top of these illicit financial flows, the Panama and Pandora Papers revealed the extent of regulatory capture by mining interests, involving patronage and corruption in processes of securing mining licenses.

Instead of curbing these abuses through stronger regulation and taxation, many governments have used the global pandemic as a smokescreen for rolling back regulatory measures on extractives and protections of peoples' rights in mining-affected communities⁴. Primed as a cornerstone to "recovery", the extractives sector was given free rein to extract resources and profits with neither limits nor regard for social and economic costs or for irreversible environmental impacts.

¹ [Mine 2022: A critical transition \(pwc.com\)](#)

² [Eighteen Months on From Panama Papers, Governments Gather in Asia to Tackle Secret Extractives Ownership \(resourcegovernance.org\)](#)

³ [What the Pandora Papers tell us about the extractive industries | EITI](#)

⁴ [How Mining Companies Profited off the Pandemic - Inkstick \(inkstickmedia.com\)](#)

In their economic recovery packages, governments of Argentina⁵, Philippines⁶ and Zambia,⁷ for example, chose the path of granting revenue-eroding tax holidays and bailouts for mining corporations despite the urgent necessity of ramping up spending for essential public services during the pandemic. Moreover, mining corporations persistently lobbied and even filed international arbitration cases against developing countries that exercise their sovereign right to mobilize domestic revenues through fairer mining tax reforms in Kazakhstan⁸, Peru⁹ and Tanzania¹⁰. Despite clear evidence of higher corporate profits *vis-à-vis* rising costs of living for workers, mining companies benefiting from fiscal incentives actively suppressed union demands for wage increases in South Africa¹¹ and Chile¹².

Against this backdrop of soaring profits from expanded mineral extraction are worsening global phenomena of inequality and austerity. At least 85% of the global population will be impacted by austerity measures planned by governments from 2022-2025¹³. In the face of shrinking resources for public services and continuing plunder by the extractive industry, many communities directly affected by extractives in Africa, Asia and Latin America have been losing access to food sources, drinking water, and transport services during the pandemic¹⁴. In defense of mining as “essential activities”, governments have enabled the violent repression of communities at the frontline of preventing corporations from encroaching on peoples’ rights¹⁵.

People in mineral-rich countries across the Global South who already suffer the brunt of the climate crisis are forced to bear the impacts of tax revenue losses and wage erosion by corporations in the extractives sector. Moreover, corporations are tip-toeing around their environmental obligations. As if this is not enough, ironically, big corporations that deal in dirty fuels that are behind the more frequent and adverse weather patterns are [enjoying super profits](#) at the same time that poor countries are suffocating from escalating costs emanating from the climate crisis. This evidences the broken, inequitable and unsustainable global financial ecosystem that puts profits above the environment and people.

At a time when broken systems of public service provision are in dire need of rebuilding, governments have resorted to budget cuts, privatization and reductions in public wage sector bills while maintaining regressive tax systems that heavily burden women, workers and other marginalized sectors.

⁵ [Buenos Aires Times | Government cuts reduces key export taxes for agriculture, mining \(batimes.com.ar\)](#)

⁶ [Duterte lifts moratorium on new mining agreements | Inquirer News](#)

⁷ [Zambia Announces Mining Tax Breaks, Pares Budget Deficit \(bloombergtax.com\)](#)

⁸ [Countries seeking more cash from mining put pressure on energy transition costs | S&P Global Market Intelligence \(spglobal.com\)](#)

⁹ [Peru mining chamber says tax hike proposal risks \\$50 bln investment | Reuters](#)

¹⁰ [Strandline eyes agreement by 2021-end as Tanzania moves on from Barrick dispute | S&P Global Market Intelligence \(spglobal.com\)](#)

¹¹ [Samancor workers demand wage increase | IndustriALL \(industrialunion.org\)](#)

¹² [Copper Strike Risks Are All But Over in World's Biggest Producer - Bloomberg](#)

¹³ [End Austerity - Eurodad](#)

¹⁴ [Tale of two pandemics as mining thrived while communities faced restrictions \(mongabay.com\)](#)

¹⁵ [The Struggle for What's Essential - FPIF](#)

Our Fight for Tax Justice in the Extractives Sector

Mining corporations have been riding on the coattails of the growing global demand for critical minerals in the energy transition. However, we cannot allow market-based solutions to obscure the massive culpability of the extractives sector in creating the risks and precarity experienced by people amidst the multiple crises. By deregulating and expanding tax privileges to the extractives sector, governments are delivering a clear message that the drive of corporations towards maximizing profits must be prioritized at all costs, even at the cost of weakening domestic resource mobilization and the provision of public services.

It is clearer than ever that gains of the extractives sector have meant losses for governments and peoples in the Global South. On top of the heavy toll borne by mineral-rich developing countries, global tax rules that have structurally enabled illicit financial flows from the North to the South are heavily skewed in favor of rich countries and their corporations' interests. These transfers of resources and wealth are fundamentally unjust. We must not allow these inequalities to persist and we must strongly push for fundamental reforms in the international tax architecture.

We can no longer allow mining corporations to hide behind promises of contributing to our economies while they earn billions in profit from siphoning out our mineral resources and draining revenues at the expense of peoples' needs. We need to reclaim power over our shared mineral wealth that exists not to serve the relentless profit-maximizing drive of corporations, but to meet the needs of our societies within the bounds of maintaining ecological balance.

Governments must prioritize peoples' needs and rights in tax and fiscal rules, as well as strengthen regulatory mechanisms in the extractives sector. Immediate efforts are necessary to curb illicit financial flows in the sector and ensure that sufficient revenues are generated to rebuild essential public services. The urgent needs and demands of mining-affected communities must also be prioritized. Governments must also address inequalities in the global tax architecture, ensuring the participation of communities from mineral-rich countries across the Global South in discussions and decision-making.

Global Days of Action for Tax Justice in the Extractives Sector 2022

On **November 21-25, 2022** we call on movements, civil society organizations, and communities affected by extractive activities around the world to come together and mobilize towards these calls in the **Global Days of Action (GDOA) for Tax Justice in the Extractives Sector**.

The GDOA aim to:

- Turn the spotlight on the extractive industry and peoples' demands for tax justice, and build linkages & convergences between movements and campaigns focusing on the extractive sector;
- Demonstrate solidarity and strengthen our unities to end unjust tax policies in the extractives sector that exacerbate these twin pandemics of inequality and austerity; and

- Build and shape strong public opinion in support of tax and fiscal justice in the extractive sector.

On the Global Days of Action, we enjoin members of the Global Alliance of Tax Justice (GATJ) and organize protest actions and activities on the streets or on social media, building on our [fundamental demands for tax justice in the extractive industry since 2019](#) and amplifying these immediate calls:

1. Stop illicit financial flows and tax abuses in the extractives sector;
2. Tax the superprofits of extractives corporations by instituting windfall profit taxes;
3. Curb tax incentives granted to the extractives industry;
4. Make extractives companies pay their share in taxes and immediate costs of rehabilitation and rebuilding;
5. Use taxes for peoples' needs, especially for the needs of communities affected by social and environmental damage; and
6. Protect and uphold the rights of workers and women affected by mining, including their rights to defend their communities.

Campaign Slogans

Main

Tax extractives excess profits NOW!

End mining, oil and gas profiteering at the expense of people and the planet

Secondary

Stop the Plunder!

Tax Justice in Extractives Now!

Make Corporations Pay Their Share!

End Inequality and Austerity Amidst Plenty