G-20: Take Action on Financial Transaction Taxes

International Civil Society Statement to the G-20 Leaders Summit in Seoul

We, the undersigned 183 civil society organizations from 42 countries collectively representing over 200 million people, urge G-20 leaders to make concrete progress towards the introduction of an internationally coordinated financial transactions tax (FTT) at the upcoming summit in Seoul.

Our organizations have long advocated that such taxes are a practical way to generate revenues needed to fill domestic and international financing gaps, discourage the type of short-term financial speculation that has little social value but poses high risks to the economy and serve as a desperately needed and sustainable source of financing for health and development. In recent months, the case for an FTT has been strengthened with new inputs from sometimes unexpected sources. Several developments have contributed to building a solid foundation for going beyond discussion of options to implementation:

IMF research commissioned by the G-20 recognizes technical feasibility of FTTs

At the 2009 Summit in Pittsburgh, the G-20 charged the International Monetary Fund (IMF) with preparing a report on various financial sector taxation options. While the IMF report delivered in June 2010 favored an alternative approach (devoting only 3 of its 74 pages to FTTs), it did confirm the administrative feasibility of this option.¹ A follow-up IMF technical paper has pointed out that most G20 countries have already implemented some form of transaction tax and offered useful information on how to design the taxes to make them most effective. The paper also confirmed that such taxes can generate substantial revenues.²

A report by the ‘Leading Group on Innovative Financing’ endorses one form of FTT

In July 2010, a group of international finance experts confirmed the feasibility of taxing financial transactions, with a view to financing international commitments for health and development made to developing countries. The experts had been commissioned to produce a feasibility study for a group of 12 governments -- Germany, UK, Japan, France, Belgium, Korea, Norway, Senegal, Brazil, Spain, Austria and Chile. These countries are part of the Leading Group on Innovative Financing for Development, comprised of 60 nations (including 75% of G20 member states). In their report, the experts point to foreign exchange transactions between banks as the easiest option for collecting a solidarity tax. They calculated that an extremely small tax of only 0.005% on such transactions would generate 33 billion USD per year.³

European Union and UN High-level Advisory Group on Climate Change Financing consider FTT

Meanwhile, the European Commission is considering the possibility of introducing an FTT at European level, following the support shown by the European Parliament earlier this year. A European Commission report notes that, depending on the rate and coverage, an FTT could potentially generate more than $1 trillion per year.⁴ The FTT is also being addressed by a workstream of the High Level Advisory Group of the UN Secretary General on Climate Change Financing (AGF). The Group, made up of heads of state, high-level officials from ministries and central banks, and other finance experts, is expected to release a report on climate finance options this week.
The need for FTTs has grown more urgent

FTTs are one of the few available options that could generate the enormous financial resources required to pay for the continuing costs of the global financial and economic crisis, including reducing the unacceptably high rate of job loss, and to achieve key development, health, education and climate change objectives in developing countries. Several hundred billion dollars worth of untapped revenue could potentially be harnessed. This new financing is required in addition to official development assistance in order to meet the Millennium Development Goals. Alternative financial sector taxes as proposed by the IMF would fall far short of the volume required. At the same time, the potential benefit of FTTs to enhance market stability is of equal interest as the world has become more aware of the dangers posed by automated high-frequency trading that increasingly predominates in financial markets. Even extremely low transactions tax rates would reduce the incentive for such speculative activities.

At the recent UN Summit on Millennium Development Goals, French President Nicolas Sarkozy made a very welcome vow to press for an international agreement on FTTs during his term as G-20 chair in 2011. There is, however, no reason to delay. We call for G-20 action on this critical issue to begin in Seoul.

Signatories:

International/Regional:
ActionAid International (AAI)
Economic Governance for Health (EG4Health)
Education International (EI)
Emmaus International
European Federation of Public Service Unions (EPSU)
European Network on Debt and Development (EURODAD)
European Trade Union Confederation (ETUC)
Federación Internacional Fe y Alegria
Feminist Task Force (GCAP)
Friends of the Earth International
Global Call to Action Against Poverty (GCAP)
Global Campaign for Education (GCE)
Global Union Federation Building and Wood Workers International (BWI).
Greenpeace
Health Poverty Action
International HIV/AIDS Alliance
International Metalworkers’ Federation
International Trade Union Confederation (ITUC)
International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Association (IUF)
La Red Latinoamericana sobre Deuda, Desarrollo y Derechos (LATINODAD)
Oxfam
PLUS, Coalition Internationale Sida
PSI Asia Pacific Regional Organization (PSI-APRO)
Public Services International (PSI)
Tax Justice Network (TJN)
The African Campaign for Education for All (ANCEFA), Senegal, for African continent

Third World Network (TWN)
Trade Union Advisory Committee to the OECD (TUAC)
WWF International

National:
ABVV/FGTB, Belgium
Action for Southern Africa ACTSA, UK
ACV-CSC, Belgium
AFL-CIO, US
Africa Europe Faith Justice Network, UK
African Initiatives, UK
AFRICANDO de Gran Canaria, Spain
AITEC / IPAM, France
Aktionsbündnis gegen AIDS, Germany
Alianza Mexicana por la Autodeterminación de los Pueblos (AMAP), Mexico
Alliance Sud–the Swiss Coalition of Development Organisations, Switzerland
Altermond, Japan
Americans for Financial Reform, US
Article 12 in Scotland, UK
ASDE Scouts de España, Spain
Asociación de Defensa de la Vida, ADEVI, Perú
Association of Citizens for International Solidarity Taxes, Japan
ATD Fourth World, UK
ATTAC, Hellas, Greece
ATTAC, Québec, Canada
ATTAC, Austria
ATTAC, Denmark
ATTAC, Finland
ATTAC, France
ATTAC, Germany
ATTAC, Norway
ATTAC, Spain
Australian Council of Trade Unions (ACTU),
Australia
Bia lii, Asesoría e Investigación, A.C, México
Bond, UK
Both ENDS, the Netherlands
Canadian Union of Public Employees (CUPE),
Canada
Catholic Agency for Overseas Development
(CAFOD), England and Wales
CCFD-Terre Solidaire, Catholic Committee
against Hunger and for Development,
France
Centro de Referencia do Movimento da
Cidadania pelas Águas Florestas e Montanhas
Iguassu Iterei, Brazil
Christian Socialist Movement, UK
Civil Society Forum for Climate Change,
Tanzania
CNCD-11.11.11, Belgium
CNPL, Brazil
Coalición española de la Campaña Mundial por
la Educación (Ayuda en Acción, Educación sin
Fronteras, Entreculturas), Spain
Comisión Independiente de Derechos Humanos
de Morelos, Mexico
Comisión Nacional de Enlace (CNE), Costa Rica
Comité Nacional de la Confederación de
Trabajadores, México
Community the Union, UK
Confederación Intersindical, Spain
Confederación Revolucionaria de Obreros y
Campesinos, (CROC), México
CONGDE - Coordinadora de ONG Spain
Consejo de Investigaciones e Información en
Desarrollo CIID, Guatemala
Council for NGOs in Malawi (CONGOMA),
Malawi
CRBM, Italy
CS de Comisiones Obreras (CS CCOO), Spain
Dutch Platform on Sustainable and Solidarity
Economy, the Netherlands
Ecologistas en Acción, Spain
Educational Institute of Scotland, UK
Ekklesia, UK
Fair, Italy
Fe y Alegria, Guatemala
Federation of Trade Unions, Ukraine
Fiare Banca Ética de Sabadell, Spain
Fiare Zona Centro, Spain
FOCO -Foro Ciudadano de Participación por la
Justicia y los Derechos Humanos, Argentina
Forum on Indonesian Development (INFID),
Indonesia
Friends of the Earth, Sierra Leone
Friends of the Earth, US
Fundación IPADE - Spain
Fundación Primero de Mayo (First of May
Foundation), Spain
Fundacion PROCLADE, Spain
General Assembly of Unitarian and Free
Christian Churches, UK
General Secretary National Union of Teachers.
UK
General Union of Workers, UGT-P, Portugal
German Campaign “Tax Against Poverty”,
Germany
Global Alliance for Incinerator Alternatives
(GAIA), Belgium
Global Health Advocates (Avocats pour la Santé
dans le monde), France
Grassroots International, US
Greenpeace, Spain
Grupo de Tecnología Alternativa SC, Mexico
Grupo Tacuba, A. C., Mexico
Halifax Initiative, Canada
Health Alliance International, US
Health GAP (Global Access Project), US
Health, Pharmaceutical and Social Care
Workers’ Trade Union, Georgia
Hind Mazdoor Sabha (HMS), National Trade
Union Centre, India
Housing Justice, UK
Hunger Free World, Japan
IBON, Philippines
Indian National Trade Union Congress (INTUC),
India
INDIAN SOCIAL ACTION FORUM - INSAF,
India
Inspiracion – Spain
Institute for Agriculture and Trade Policy, US
Institute for Policy Studies, Global Economy
Project, US
Instituto del Tercer Mundo, Uruguay
International HIV/AIDS Alliance, UK
International Solidarity Tax Joint Campaign,
Japan
Intersindical Valenciana, Spain
Italian General Confederation of Labour, Italy
ỊTEREI- Refugio Particular de Animais Nativos, Brazil
Japan NGO Network for Education (JNNE),
Japan
Japanese Trade Union Confederation (JTUC-
RENGO), Japan
Jubilee Debt Campaign, UK
Jubilee USA Network, US
Jubilee, Australia
KAIROS Canadian Ecumenical Justice
Initiatives, Canada
Kepa, Service Centre for Development
Cooperation, Finland
KRuHA-People’s Coalition for the Right to
Water, Indonesia
Lokoj Institute, Bangladesh
Lunaria, Italy
Make Poverty History, Canada
Maryknoll Office for Global Concerns, US
Medicus Mundi, Spain
Mexicanos Contra La Desigualdad, Coalición
Nacional Mexicana del GCAP, Mexico
Mirada Solidaria, Spain
Movimiento Rural Cristiano de AC, Spain
Mujer y Medio Ambiente AC, Mexico
MUNDUBAT, Spain
NASUWT, UK
National Education Association (NEA), US
Nationwide Group Staff Union, UK
Network Institute for Global Democratisation (NIGD), Finland.
New Zealand Council of Trade Unions Te Kauae Kaimahi, New Zealand
Niger Delta Women's movement for Peace and Development (NDWPD), Nigeria
NKOTA-netzwerk, Germany
Norwegian Church Aid, Norway
Norwegian Forum for Environment and Development, Norway
Observatori del Deute en la Globalització, Catalunya, Spain
Observatorio RSC, Spain
Oikos Foundation (Dutch member, Tax Justice Network), the Netherlands
Otros Mundos AC - Amigos de la Tierra (Friends of the Earth), México
Partido Revolucionario de los Trabajadores, Mexico
Partners in Health, US
Plataforma 2015 y más, Spain
Positive Vibes, Namibia
Public Citizen, US
Red de Genoro y Medio Ambiente, Mexico
Red Mexicana de Acción frente al Libre Comercio (RMALC), Mexico
RESULTS Japan
RESULTS, Canada
RESULTS, UK
RESULTS, US
Robin Hood Tax Campaign, UK
Secours Catholique / Caritas, France
Secretariado Social Mexicano, A.C., Mexico
Service Employees International Union (SEIU), US
Share The World's Resources (STWR), UK
Solidaridad Internacional - Spain
SPEAK Network, UK
Spire, the Development Fund's Youth, Norway
Stamp out Poverty, UK
Stop AIDS Campaign, UK
TB Alert, UK
Tearfund, UK
Terrae Organização da Sociedade Civil, Brazil
The Canadian HIV/AIDS Legal Network, Canada
The Christian Socialist Movement (CSM), UK
The Ecumenical Council for Corporate Responsibility, UK
The Federation of Independent Trade Unions of Russia, Russia
The International HIV/AIDS Alliance, UK
The National Union of Journalists, UK
The National Union of Public and General Employees, Canada
The Stop AIDS Alliance, Belgium
The Zacchaeus 2000 Trust, UK
Trades Union Congress (TUC), UK
Treatment Action Group (TAG), US
Ugoku/Ugokasu / Global Call to Action against Poverty –(GCAP), Japan
UNI-Korea Liaison Council, South Korea
Union of Shop, Distributive and Allied Workers (USDAW), UK
Unión Sindical Obrera (USO), Spain
UNISON, UK
United Methodist Church, General Board of Church and Society, US
University and College Union (UCU), UK
Veterinarians Without Borders (VSF), Spain
Victoria AIDS Resource & Community Service Society, Canada
War on Want, UK
WEED - Weltwirtschaft, Ökologie & Entwicklung, Germany
World Democratic Governance Project Association (apGDM-WDGpa), Spain
World Development Movement, UK
World Federalist Movement of Japan
World Federalist Movement, Canada
Worldview, The Gambia
Country-specific breakdown

16/G20 countries and EU, 117 organizations:
UK – 33 national orgs, plus UK-based international/regional
Mexico - 14 orgs
US – 18 orgs
Canada – 10 orgs
Japan - 9 orgs
Belgium, France, Germany – 5 orgs each
Brazil, Italy – 4 orgs
India – 3 orgs
Indonesia, Australia – 2 orgs each
Argentina – 1, this and all following:
Russia
South Korea

25 additional countries/66 organizations:
Spain - 27
Belgium - 5
Norway – 4
the Netherlands, Finland – 3
Guatemala - 2
Denmark – 1, this and all following:
Georgia
Ukraine
Austria
Costa Rica
Senegal
Tanzania
Greece
Peru

Switzerland
Philippines
Uruguay
Bangladesh
the Gambia
Nigeria
Sierra Leone
New Zealand
Malawi
Namibia
Portugal

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