

# **FROM ROBIN HOOD TO HOODED ROBINS**

**Subversion of Social Justice  
Through Tax Politics**

# **SUBVERSION OF SOCIAL JUSTICE THROUGH TAX POLITICS**

- Ignorance about Indirect Taxes-
- Only Direct Tax Payers considered as tax payers
- With claims over the services of the state
- Services to the poor as benevolence of the State and not as their right
- Indirect taxes paid by the poor- A Study COVA

# **SUBVERSION OF SOCIAL JUSTICE THROUGH TAX POLITICS**

- COVA conducted a small Research Study on the “Determination of Indirect Taxes Paid by Urban Poor through Analysis of their Consumption Patterns”.
- The Study was conducted in Hyderabad in March 2008.
- The aim was to gauge the Indirect taxes that poor families pay to the Government.
- Know the Socio-economic and Educational conditions of this group
- Strengthen the demand of Right to Basic Services.

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- The Questionnaire was administered in different areas in Hyderabad, which include Fatima Nagar, Falaknuma, Asad Baba Nagar, Kishan Bagh, Phisal Banda, Santoshnagar, Bhagwandas Bada, Abids, Yakuthpura, Murtuza Nagar and Imlibun.
- Respondents were in the age group of 30-60 years
- Low income groups
- Occupations include Sugarcane Juice making, Cycle Mechanism, Fruit Selling, Auto Driving, Pan shop, Rickshaw pulling, working in incense sticks (Agarbatti) workshop, Tea selling on road and support staff in Hotels

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## **Findings of the study**

- The average income of each family was found to be Rs 2196/- p.m.
- The total number of family members in each family averages to 5.54 persons.
- 92% respondents did not have any formal education.

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- **Average Consumption Pattern of the Households  
and Tax Paid Through Indirect Taxes**

# **SUBVERSION OF SOCIAL JUSTICE THROUGH TAX POLITICS**

- Average consumption per family- Rs. 3309
- Monthly Indirect taxes Paid- Rs. 336.5
- Percentage of income paid as taxes by the poor- 10.15
- Expenditure incurred in each family per month on consumption is nearly the same as that of any middle class family
- Poor pay more on taxes with respect to their earnings and have more burden of taxes than the middle class families.
- 95% respondents said that they are not satisfied with the infrastructural facilities and socio-economic schemes provided by the Government.

# **SUBVERSION OF SOCIAL JUSTICE THROUGH TAX POLITICS**

- Just Taxation- Not an economic or revenue issue but has to be grounded in political justice and social equity
- Logic and Justification for tax collection- Not the convenience of business but Services to the People
- Rectification of tax policies and practices through political assertion by people
- From Subject to Citizen
- Right to Basic Services



# **SUBVERSION OF SOCIAL JUSTICE THROUGH TAX POLITICS**

- Allocations for RTBS can have two implications- reduction in negative allocations as for defense and rationalization and streamlining of Tax policies and Practices
- No optimal collection of taxes- no resources for Basic Services- pressure from people- potential loss of political power
- Tax Justice can be achieved only when it is located in the domain of social justice and the pressure for implementation comes from people's assertion
- Critical role for civil society in generating appropriate discourse in the communities on taxation and social Justice
- And channelize citizen's demands for Basic Services into political pressure for optimal tax polices and efficient governance

THANK YOU