

Leaky pot



To explore how governments lose revenue through tax avoidance and corruption.

This image of a leaking pot is used to support participants to explore the effects of corruption and tax avoidance .

Steps in the process

1. The facilitator reviews that tax is collected from people to pay for public services such as education, health, roads, social security and salaries and pensions of government staff.
2. Now, present the image of a pot with milk/water. Like the cow in the cow tool, milk/water represents the national wealth/money that a government has for public services.
3. Now, holes or leaks exist in the pot. Ask people, "What do you think these leaks may be?"
4. After hearing people's responses, explain that the leaks represent corruption (using public money for personal use), misallocation (using public money for other purposes, e.g. university rather than primary education) and inefficiency (delays in distributing school books, mistakes, etc.).

Questions for discussion

- Name the problems of corruption in your local area. Who is responsible? And of inefficiency? Who is responsible? Is public money allocated by the authorities to the needs of people? Do you have a voice in deciding where to allocate the public money? What is the main reason for weak or no public services in your area? o (a) there is no money (or not enough) assigned; o (b) money has been raised and assigned to public services in the area but it has been misspent/corrupted and has not arrived; or o (c) both
- Name the problems of corruption in your local area. Who is responsible?
- And of inefficiency? Who is responsible?
- Is public money allocated by the authorities to the needs of people? Do you have a voice in deciding where to allocate the public money?
- What is the main reason for weak or no public services in your area?
 - there is no money (or not enough) assigned;
 - money has been raised and assigned to public services in the area but it has been misspent/corrupted and has not arrived; or
 - both problems exist.
- [Optional]: The facilitator might start a discussion about the levels of tax collection as some stay with the local government (and are probably more traceable) while some go to the national government and are meant to come back to the local (like VAT), but do they?

Action points

- How can local people monitor the government to assign and/or use tax for public services well?
- What would you spend the public money on in your area?

Resources

- ActionAid's Tax Power Campaign Reflection-Action toolkit, ActionAid, December 2015