

**SH Remarks**  
**Sustainably Financing Education**  
**September 20, 2017**

Irina, Camilla, colleagues, it's great to be with you.

This week in New York is our annual opportunity to get together, share big ideas and tackle the collective challenges we face. Last year was no exception when Education International released its roadmap to financing education. Coinciding with the release of the Education Commission Report, our roadmap presented a different direction, our own unique vision from the perspective of the teaching profession.

The core of that vision is based on education that is publicly funded and regulated. With this as a starting point the Roadmap was a clear signal from teachers to governments. Colleagues, these are big ideas that reflect both the spirit and ambition of SDG 4.

Ideas are wonderful, but they mean very little without action. We are now two years closer to 2030 and the time will only continue to tick away. Now, we know that the pressure is on governments to fulfil their Sustainable Development Goal responsibilities, their promises made to their citizens. The effort needed to properly finance quality public education is great, complex and long term. But rather than roll up their sleeves, some governments are looking to others to take up the task.

This meeting could not be more timely. A recent study conducted by the Bureau of National Economic Research exposed even further the challenges to domestic resource mobilization at a time of growing inequality. Their study, *Who Owns the Wealth in Tax Havens?* looked into the data revealed in the now infamous Panama Papers and found that "The equivalent of 10 percent of world GDP is held in tax havens globally, but this average masks a great deal of heterogeneity—from a few percent of GDP in Scandinavia, to about 15 percent in Continental Europe, and 60 percent in Gulf countries and some Latin American economies. Just to give you a sense of the size of that amount - Global gross domestic product is about \$75.6 trillion, according to World Bank figures. That means there are 7.6 trillion dollars in tax havens alone.

With this money locked away, in many places portions of our school systems are being carved out and outsourced to private businesses, while market principles increasingly determine what happens in our classes and schools. However, the simplistic transfer of ideas from the corporate world will not advance the quality of our school systems. The idea that you can somehow improve quality by introducing standardized testing, league tables and performance pay, by ranking schools, by measurement, is wishful thinking. It does not work. This is not an example of sustainable financing.

This is why we need both a national and a global approach to taxation. As research conducted for the Education Commission shows, corporate-tax reforms could eliminate tax avoidance and evasion, which are costing the global economy more than \$600 billion every year. Consider, \$3.3 billion is given away by Nigeria in tax breaks to oil & gas companies - yet 11 million Nigerian children are not in school. How is that possible? In 2013, it was estimated that developing countries lose US\$139 billion a year just from one form of tax incentive – corporate income tax exemptions, or nearly US\$3 billion each week. In just over two months, if channelled to where it is most needed, this could fill the annual global finance gap for basic education. It's time to seriously consider suggestions like the economist Piketty proposed for a global wealth tax. It's time to renew the call for a Financial Transaction Tax too.

This was the driving force behind our decision to create the Roadmap and why, along with our affiliates and partners, have dedicated great energy to addressing tax justice.

We remember all too well that the Addis Conference on Financing for Development failed to deliver the financial commitments necessary for delivering the SDGs. That fact becomes more daunting when you combine it with what UN Deputy Secretary General Amina Mohammed said in June at the high level education event. She said SDG 4 – quality, free, inclusive education is the “docking station that powers all the other SDGs.”

If that’s true, (which I believe it is) then it cannot be dependent on philanthropy, equity markets nor profitability. There must be a sustainable and predictable current of domestic resources flowing into that docking station.

Friends, before I finish, I would like you all to take a moment and look at the bigger picture. When we take a step back, we see how essential our schools are to the public good. To our towns, cities, and countries, they are the source of our collective values. They are the engines of our democratic principles. And now is the time that we must double down, reinvest both our efforts and our financial resources into making public education the first and strongest option for our children and for our societies. We have a moral obligation to do this. We cannot rest on our laurels. Ensuring quality public education is a team effort, from the bottom to the top. It takes leaders at all levels to make schools sanctuaries of quality learning. Let us continue to make quality schools all of our responsibility.

Thank you.