



# FISCAL ACCOUNTABILITY FOR INEQUALITY REDUCTION: EVEN IT UP!

Oxfam in Peru: Young Peruvians fighting  
inequality and fiscal injustice

Knowledge Hub on  
Governance and Citizenship



**OXFAM**

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## OXFAM IN PERU: YOUNG PERUVIANS FIGHTING INEQUALITY AND FISCAL INJUSTICE

### INTRODUCTION

Oxfam's FAIR-EIU work in Peru aims to enable a broad base of active citizens, and ensure they have the necessary evidence to take action to achieve fiscal justice where and on what issues matters most to them. This case study shows the power of mobilizing people through a mix of online and offline strategies, combined with a strong strategy to influence the terms of the debate and policy making spaces. By working with young people – creating spaces for them to connect with investigative journalists, academics, established movements and other civil society organizations – Oxfam is supporting citizens to become agents of change in Peru.

### CONTEXT

At least 40% of the population in Peru have living conditions that are vulnerable to shocks and are at risk of falling into poverty. To be able to address extreme inequality and reduce poverty, Oxfam realized that it is essential to show the impact of inequality: who benefits from it and who suffers from it. It is necessary to analyse and explain the underlying causes of growing inequality, as well as to monitor the actions taken by the government to fight inequality. In Peru, a few strong and active groups have been able to hold much more influencing power over the state than others. Economic groups, corporations, media, and politicians have a disproportionate influence on state decisions, such as policies, regulations, and budgets. These state decisions are influenced in a way that aggravates inequality, rather than tackles it. These powerful groups use a variety of tactics to influence decision making by the state, ranging from lobbying, media campaigns and revolving doors (the easy movement of influencers between, for example, multinational corporations and government and vice versa), to the financing of political parties.

### ONLINE AND OFFLINE ENGAGEMENT ON INEQUALITY

#### Actúa.pe

Actúa.pe, which means, 'act now' in Spanish, is an unbranded platform which connects online and offline civic engagement spaces. It serves as a megaphone for civil society actors and citizens engaged in the fight against inequality in Peru, raising a collective voice in

the public debate in general, and to the government in particular. To promote an agenda of reform, of fiscal inclusiveness and government tax and budget policies that work for the many, not the few, Oxfam has worked together with other civil society organizations to create [Actúa.pe](#), an online platform which supports citizens and a range of stakeholders to connect, act and monitor on extreme inequality.

This platform explicitly works to amplify the voices of groups in Peru who do not get heard otherwise, like young people, young women, and other marginalized groups. Because the platform carries no specific branding of the organizations involved, it is a neutral space which allies use for the co-construction of new narratives on a range of issues. This is an online and neutral space where narratives can emerge and be amplified, where the dominant neoliberal development paradigm and its impact on people is given a face, and where new ideas, connections and alliances are forged that challenge the status quo. Content comes from a process which brings together unlikely allies who do not often work together. The platform's visual, humorous and culturally resonant material (*comunicación popular*) is a meme-based form of communication that is grounded in hard evidence and robust analysis from research supported by Oxfam from academics and investigative journalists who are part of the active citizenship strategies. This content conveys several messages at once, in a way that people can easily understand, connect with and act on.

One of Actúa's most shared memes counterposed the facts coming from investigative journalist partners on how much tax the biggest 11 companies in Peru were not paying (judicialization of tax debts). They used a visual which was similar to the way the national football team had presented its selection for the world cup a few days earlier (it was the first time that the Peruvian team had been in the world cup in 36 years). The combination of the visual similarity, the shocking numbers and the football-mad moment let the content reach and be shared by many more people than a simple killer fact. This helped to promote a discussion about fiscal justice and a swell of outrage at certain companies such as Telefonica. It reframed the debate towards what companies owed the people, rather than tax avoidance.



### Actúa.pe offline: Youth inequality labs

Using this *comunicación popular* and sharing complex information through art, humour, cartoons and memes also makes the conversation appealing to young Peruvians, of course. To engage young people in a structural manner on the issue of inequality, together with **Foro Juvenil de Izquierda** (FJI), Kawsaypak, Pazos Art for Education, and **Tierra Activa**, Oxfam has set up a series of youth inequality labs connected to Actúa.pe. The aim of these labs is to strengthen youth activism to tackle inequality nationally. An inequality lab is a space for learning and reflection, where young people can develop proposals against the inequalities they experience in their daily lives. The key is to strengthen the arguments and actions of young activists on their own terms, instead of forcing an already existing civil society agenda on them. Working through these labs supports and creates active citizenship among young Peruvians to create a collective of young women and men who are willing to raise their voices and act against extreme inequality.

In March 2018, more than 150 youth activists from Peru, as well as Oxfam staff and activist observers from other countries, came together for the first **National Lab to End Inequality** to tackle issues of fiscal justice, environmental justice, and gender equality. During this

time together, people took a deep dive into inequality, its significance and why it has an impact on their daily lives. The sessions focused on core themes: the current economic system and its crises, the emancipation of women, the climate crisis. For each of the topics, youth activists viewed presentations and were given key background material, and worked together to create a youth agenda and manifesto. The final day closed the lab by building an action plan together to move forward on. In this way, youth inequality labs encourage a new generation of active citizens to put forward new narratives on inequality, and to generate concrete actions to tackle it.

### What explains the particular strength of these engagements on inequality?

What is interesting about Actúa.pe is its ability to put across complex issues in an accessible and attractive way using *comunicación popular*, and that it does so in an unbranded way. Everyone who connects to their online and offline spaces can feel ownership of the content and the space. This enables new people to engage in discussions around tackling inequality in Peru. People can connect with and engage on different topics without having to align with an entire organizational agenda. Before Actúa.pe was formed, feminist organizations would work on one issue and fiscal justice activists on another. Now, Actúa.pe connects all of these organizations and actors together through the inequality narrative that is connecting us all. The Actúa platform has helped to bridge those gaps.

Both Actúa.pe online and the connected offline youth inequality labs are built on thorough political analysis of current existing spaces for change in Peru. These are spaces which Oxfam and its partners have continuously sought to influence and to open new ones for discussion and debate among a broader group of people.

There are two aspects that further explain the strengths of this work. The aim of the inequality labs is to support and co-create strategies with the new generation of youth activists in Peru. **The work in Peru is built on the principle that active citizenship is an end in itself.** It is not just a means to pressure for policy change alone. The inequality labs take this up with a

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focus on young people because they are the most excluded when it comes to decision making, and yet are the ones who will ultimately pay for poor fiscal and environmental decisions in the future. The aim is to strengthen their agency to be actors for change in their own right, and to treat them as co-creators, not beneficiaries. The labs have been designed in an active process of co-construction with youth activists' groups supported by capacity development with a view to strengthening youth activism, and supporting inter-generational and geographical connection between youth activism across Peru and between Peru and other countries.

### FISCAL JUSTICE INFLUENCING

Besides creating a new generation of active citizens, Oxfam and partners also support an active call for change in terms of corporate taxation and fiscal justice in Peru. To support the country's 2021 aspiration to become part of the OECD, Oxfam aims to influence the country to move away from its' current regressive tax system and race to the bottom on taxation, towards tax justice in which good governance on tax and budgets has a strong redistributive effect. In Peru's economic system, the race to the bottom narrative has been prevalent, which justifies a regressive fiscal system with the goal of enticing big multinational corporations and large investments. Weak enforcement of tax regulations by the tax authority, combined with a political narrative that justifies preferential treatment to large economic actors over the general public, has led to current practices of tax evasion and tax avoidance by multinational corporations.

This comes at the cost of weakening both social and environmental standards. The vision for 2021 that Oxfam and partners push for in Peru is one in which the public is motivated to 'question' policies that generate privileges to elite or powerful groups at the expense of the wider society; one where civil society works together with the government to implement international standards on fiscal justice, such as those of the OECD. Focusing on these two strands – public engagement and working in coalition with other civil society actors to push for change – has been quite effective.

The Fiscal Justice Group (GJF), composed of the NGOs **Cooperación**, **Grupo Propuesta Ciudadana** and Oxfam, has built strong joint national advocacy that focuses on tax evasion and avoidance, reverting unfair tax exemptions and transparency and tax reform. By becoming allies with experts, journalists and other NGOs, the reach and strength of the messages from this group have reached national headlines several times, encouraged debate and challenged institutional changes on tax.

Most recently, Oxfam and partners have managed to find a key focus within the tax agenda that has helped to engage the public and get citizens and politicians to act on the issue, simply because it is something that people care about. By connecting tax justice to issues of women's health, people could connect to usually very distant problems: tax privileges for big pharmaceutical companies in Peru, and Peruvian women's access to cervical and breast cancer treatment. For almost 10 years, pharmaceutical companies in Peru have received tax holidays on HIV and cancer medicine, with the objective to lower the price of these medicines. These tax exemptions have never lowered the price of the medicine, but have de facto become a direct subsidy to the benefit of pharmaceutical companies.





To tackle this issue, Oxfam decided to bring together the tax justice alliance in Peru with health organizations and feminist movements, combining the strengths of each. It was a key realization that Oxfam's role is that of convening these different actors around this particular issue, and to promote more citizen involvement – in contrast with the small circle of politicians and experts who usually dominate tax debates and keep them closed and hidden. Oxfam used its strength to build a platform for other movements to use and take the stage. Looking at each organization and movement as a musical instrument, each on its own could play beautiful music and would find followers. However, by putting all the instruments together in a band, the music attracts a much wider fan base.

Besides direct political engagement and raising the issue in the longer trajectory of tax reform, Actúa.pe has also been active as part of the digital strategy for

this campaign. Through creating visuals that capture the issue in a single cartoon, people could comment on it and share it within their own networks. Some of these cartoons have reached more than 55.000 people within the first four weeks of the campaign.

Together with this growing group of citizens who demand tax justice for women's health, Oxfam and the other movements took the issue to the government to demand greater transparency from pharmaceutical companies. The idea behind this was that raising this issue with the government and demanding greater transparency and change for these tax exemptions would deliver more sustainable change than targeting one particular pharmaceutical company to lower the prices of their cancer medicine. The compelling narrative of the activists and their lobbying of congress meant that both congress and ordinary people mobilized for an end to tax breaks for some big pharma companies.

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## Research-led campaigning on state capture

Alongside direct influencing on Peru's fiscal justice agenda, Oxfam works on and supports research and analysis to understand and expose corruption and the capture of political processes in Peru. State capture as a concept means the way in which powerful elites in any country use their power to appropriate public policies, or to shape designs in their interest, harming the interests of the general public.<sup>1</sup> One example of this is the recently exposed Odebrecht case, in which one powerful company has managed to influence the Peruvian government (among others) in order to secure large contracts for infrastructure building financed by public investment. Together with Francisco Durand, Oxfam in Peru has documented the case of Odebrecht,

characterizing the phenomenon of state capture in Peru.<sup>2</sup> It takes the case beyond corruption, sharing a complete history including parliamentary reports and revealing the company's influence over key decision makers and even public opinion in Peru to secure three investments projects.

To help to counterbalance the forces behind state capture, Oxfam works together with a range of actors to influence public opinion and state actors alike. By building a strong alliance between civil society, academia, and investigative journalists, there is more strength in the analysis of what is at stake: investigation and research, media outreach and news that influences public debate. This together serves as a catalyst for social and political change.



### What was the strength of this work?

Alliance building is an essential tool when trying to build momentum on an issue and aiming to change the terms of debate. **In this case Oxfam in Peru has gone through careful selection process, putting together a wide range of different actors and building on an understanding that traditional civil society is no longer seen as the main reference for social change in Peru.**

Instead of continuing to push for its own brand of social change, Oxfam decided to become a social change contributor. This involves being adaptive and responsive to the new reality. Oxfam has worked with others to build horizontal alliances, bringing together youth activists groups, academics, traditional civil society actors and investigative journalists. In particular, the combination of academics and journalists – the longer-term academic perspective versus the moment of the news rush – creates mutually supportive analysis, which together has a bigger reach and potential. These ‘virtuous’ alliances are well suited to generating new knowledge to counter issues of state capture and inequality.

### THE IMPACT OF OXFAM’S INFLUENCING ON FISCAL JUSTICE & INEQUALITY

Through the online platform Actúa.pe, more than 60.000 Peruvians are already connected online on

issues that matter to them. The creative material produced by the platform, for example, the memes, shows up in every public debate on inequality and fiscal justice. Because the memes really speak to people, they are being shared over and over again. This means Oxfam does not have to set up an online campaign itself – the citizens do it because Actúa.pe connects them on issues they care about. The themes that are covered by Actúa.pe now also find themselves more strongly incorporated within activist groups’ agendas, connecting extractive industries, environmental justice, political capture and fiscal justice together.

By combining citizens’ engagement through Actúa.pe with direct engagement with the government, Oxfam in Peru and its tax justice, health and feminist allies have been successful in opening up a greater space for political dialogue. Within the first four weeks of the Tax Justice for Women’s Health campaign, the specific tax exemption for pharma companies was back on the agenda of the government’s Tax Working Group. The Budget Commission, which was not a target of the campaign, has put this issue on their agenda. The campaign has also received substantial media attention that enabled key public opinion leaders, for example on health, to speak out in favour of the campaign.

### WHAT DID WE LEARN FROM THIS WORK?

- **Connect across generations:** Make it a habit to invite young people to the table, engage with them at the same level as other stakeholders, and provide them with the autonomous space they need to inform their political opinion and the impetus for action.
- **Empathy, intersectionality and creativity are essential:** Do not talk only to yourself and your usual partners and collaborators. Rather, discuss the issues in real time and connect a variety of movements. Being creative helps to convey the messages. Use humour, cartoons, memes, social networks, and GIPHS to connect with a broader constituency, in an attractive way.
- **Combining a specific fiscal issue that needs to be changed (tax exemption) with a topic of public interest:** for example, health services for the treatment of cancer. The connection of taxes and public spending becomes much clearer for citizens and it is easier to gather public support for the fiscal justice agenda. Then, put pressure on the government.
- **We have seen that abstract and difficult topics** become relevant to the public when they connect to specific cases. Providing people with clear examples of how state capture works has proven key to success. Connecting academia, journalists and activists has been essential in sharing how state capture is affecting peoples’ lives.

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For more information please contact the author:

**ROSELIE SCHONEWILLE**

Roselie.Schonewille@oxfamnovib.nl

F.A.I.R. Knowledge and Learning Officer

Knowledge Hub on Governance & Citizenship

#### ABOUT THIS CASE STUDY

This case study is part of Oxfam's Fiscal Justice Track Record. This series is a continuation of Oxfam's **Global Track Record on Fiscal Justice** (2016) and provides an in-depth update on Oxfam and partners' fiscal justice and inequality work in selected countries. Oxfam's F.A.I.R.-EiU program aims to ensure that citizens are empowered to redress inequality of power and influence, so fiscal systems are more progressive, and governments implement tax and spending policies that benefit the many not the few. The **F.A.I.R.- EiU program** unites the work of Oxfam and partners in more than 40 countries.

In Peru, this work is supported by the Ford Foundation, Global Affairs Canada Program of Acts of Innovation, Red Nose Day – Comic Relief UK, and unrestricted funding by Oxfam.

#### NOTES

<sup>1</sup> Fuentes-Nieva & Galasso (2014) Working for the Few: Political Capture and Economic Inequality. Oxfam Briefing Paper, <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/311312/bp-working-for-few-political-capture-economic-inequality-200114-en.pdf;jsessionid=0F6F8CE7D5B-2674759404C5DABEA2A30?sequence=19>

<sup>2</sup> Ojo Publico on Francisco Durand's new publication on Odebrecht <https://ojo-publico.com/931/durand-Financiamiento-electoral-de-Odebrecht-creaba-deuda-futura-con-la-corrupcion>

#### PHOTOS

Page 1: Youth from all over Peru who have come together to share and learn in the National Youth Lab 2018.

Page 3: Biggest public debtors in Peru pulled together in a 'football team', one of the creative visuals from the Actua.pe platform.

Page 4: The other fight against cancer' where big pharmaceutical companies are receiving tax exemptions while Peruvian women can't get their treatment covered, one of the creative visuals from the Actua.pe platform.

Page 5: Elena Mejia from Foro Juvenil de Izquierda presenting about Gender Equality at the Youth Lab in 2017.

Page 6: Jessenia Tonquiri leading group work about education reforms in the Youth Lab in 2017.



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