

Welcome to the February 2020
Church Action for Tax Justice
(CATJ) Newsletter



In this month's newsletter:

- **CATJ News**
- **ECCR launches 'Money Makes Change'**
- **Sign the Petition**
- **Oxfam releases new inequality report**
- **Turning the heat up on Netflix**
- **Luanda leaks**
- **Millionaires call for more taxes on themselves!**
- **In brief:**
- **And finally....**

CATJ News

Ahead of the March budget, CATJ has written [an open letter to the Chancellor Sajid Javid](#) asking him to ensure that in the first budget of the new government he seriously tackles poverty, inequality and public services. Specifically, we asked him to:

- equalise taxes on unearned income with taxes on income from work
- reform Council Tax replacing it with a fairer property and / or land tax
- lend his support to the introduction of a global minimum corporation tax as a way to avoid the global race to the bottom on corporation tax

Lobbying ministers like this is exactly the kind of thing we do at CATJ. Amongst other things, we are trying to bring about policy and legislative change and this is one way to do it. The other way is to mobilise large numbers of people to support a cause which is why the second main strand of our activity is campaigning, and it would seem that others agree:

"We need the church!" That was the message that was received loud and clear by our national coordinator when he attended a retreat for organisations working on economic justice. The meeting, organised by the Joffe Trust, gathered participants from over 20 organisations to explore how we could more effectively collaborate on issues of mutual concern. In the tax justice group there was recognition of the significant work done to date, but also a feeling that the church was not sufficiently active in this area. The comment made by one seasoned campaigner was that the church had been essential in bringing about the living



wage, fairtrade, socially responsible investment and tackling global south debt, and we need the church also to be active and visible on tax justice. The fact that this comment was made by someone who is not a churchgoer makes the point even more telling. It's very rare that secular society tells the church we need you, but it seems that in this space, on this issue, they do.

In practical terms, the sense was that CATJ needs to be better funded. Currently, we only have enough funding for just one 0.6 WTE worker. Almost all the funding for that person comes from grants which at some point will end. At present, just a handful of donors give on a monthly basis, and we need to significantly increase this number if we are to have a long term future. Therefore, could I ask that you consider giving just £5 a month to support the work of CATJ. Your support will enable us to expand our influence, mobilise more people and make the church a sufficiently loud voice in the tax justice space that both national and international policies will eventually change. Campaigning for economist justice has never been a quick win. We can't promise you results tomorrow. But as the examples of the living wage and global south debt indicate, change can come; it just takes time. You can set up your regular donation by clicking here:

<https://donorbox.org/donate-971>

Thankyou for whatever you are able to give.

One of the venues where our national coordinator spoke in the last month was at JustLove Cambridge. JustLove is a national movement of Christian students committed to a range of social justice issues. Around 40 students attended, and feedback after the event was incredibly positive. The convenor commented:

" It's safe to say this was an absolutely fantastic evening for Just Love Cambridge - we were just so grateful for the warmth you brought, but also the encouragement and challenge. You preached so clearly and on such important topics!... it felt really re-igniting and re-affirming - that is so important. And several people said it was a real eye-opener for them, both into the weight of global injustice and into the clarity of what the Bible has to say about it."

If you would like our national coordinator, Dr Justin Thacker, to come and speak at your church or event then do get in touch by emailing justin.thacker@catj.org.uk

The following is the list of current events planned over the next few months:

- **Friday 21st February, time tbc - Just Love, Exeter (Dr Justin Thacker, National Coordinator)**
- **Wednesday 1st April 7.30pm – Cushman Lecture at Steyning Parish Church, West Sussex (Rev David Haslam, Chair)**
- **Thursday 2nd April, 12.30 - Marlborough Road Methodist Church, St Albans (Rt Rev Michael Doe, Vice-Chair)**
- **[Saturday 23rd – Monday 25th May](#) – Cliff College Festival, Cliff College, S32 3XG (Dr Justin Thacker, National Coordinator)**
- **Saturday 13th June 9.30am – Moravian Church, London (Dr Justin Thacker, National Coordinator)**
- **Sunday 14th June 9.00am and 10.45am – St John's Church, Chesterfield (Dr Justin Thacker, National Coordinator)**

And don't forget, Sunday 14th June is **Tax Justice Sunday**. There are a [range of resources available on our website](#) for you to ensure your church marks this occasion.

And if you like this newsletter, please do share it. We have doubled subscriptions in the last six months, but we still have just 300 readers. We need a lot more!

ECCR launches 'Money Makes Change'

The Ecumenical Council for Corporate Responsibility (ECCR) - a partner organisation with CATJ - have launched a brand new suite of resources - [Money Makes Change](#). It is a programme designed to help Christians explore and make ethical choices around money. The first resource to be launched as part of the programme is for small groups - it offers a conversation-based introduction to questions of money and faith. A handbook for facilitators, PowerPoint, handouts & worksheets, can be downloaded for free from their [website](#). This is just the first stage in a series of resources that they plan to produce and which will be released over the next few months. The overall aim of the programme is to inspire deeper engagement and practical action.



**Money Makes
— Change —**
CONNECTING FAITH AND FINANCE
FOR A FAIRER WORLD

Sign the petition

TaxJustice UK have [launched a petition with 38 degrees](#) calling for the chancellor to tax wealth more fairly. They point out that due to differential tax rates on income from work and income from wealth, those who gain their income from shares or property end up paying far lower tax rates than those who obtain their income from paid employment. The chart below from the IPPR illustrates this problem well.

TABLE 2.1: PERCENTAGE OF TAX PAID ON ADDITIONAL £20,000 FROM DIFFERENT INCOME SOURCES BEYOND INCOME FROM EMPLOYMENT

	Earnings from employment				
	£0	£15,269*	£50,000	£100,000	£200,000
Receiving additional £20,000 in dividends	2%	7%	29%	29%	34%
Receiving £20,000 profit from selling non-residential assets	4%	4%	8%	8%	8%
Receiving £20,000 profits from selling a second home	7%	7%	11%	11%	11%
Making £20,000 from working and earning more	14%	32%	42%	62%	47%

Oxfam releases its annual inequality report

Oxfam has released the latest version of its inequality report - [Time to Care: Unpaid and underpaid care work and the global inequality crisis](#). The particular focus in this year's report is the extent of unpaid care work undertaken especially by women across the world. As ever, there are a huge range of staggering statistics in the

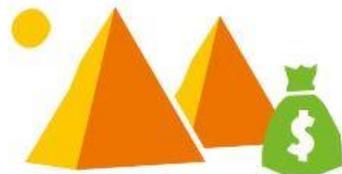
report and the following infographic captures the most significant of these:

TIME TO CARE

The world's billionaires, only **2,153 PEOPLE** in 2019, have more wealth between them than **4.6 BILLION PEOPLE**.

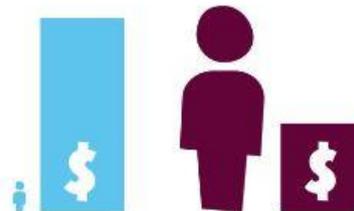


The combined wealth of the world's 22 richest men is more than the wealth of all the women in Africa.



If you saved \$10,000 a day since the building of the pyramids in Egypt you would have only one-fifth the average fortune of the 5 richest billionaires.

The world's **RICHEST 1%** have more than twice as much wealth as **6.9 BILLION PEOPLE**.



The monetary value of **UNPAID CARE WORK** globally for women aged 15 and over is at least \$10.8 trillion annually – three times the size of the world's **TECH INDUSTRY**.



Taxing an additional 0.5% of the wealth of the richest 1% over the next 10 years is equal to investments needed to create:



117 MILLION JOBS

in education, health and elderly care and other sectors, and to close care deficits.

Turning up the heat on Netflix

The last month has seen the pressure on Netflix, the video streaming service, increase as scrutiny has been applied to their tax affairs. [Taxwatch have released](#) an updated analysis of their accounts which show that despite making an estimated £68million in profit in 2019, Netflix paid zero corporation tax in the UK. This is because all of the revenue generated from their UK customers is declared as profit in a Dutch tax haven. Taxwatch believe the tax bill they should have paid in the UK is around £13 million - that is £13 million that will not be spent on our schools, hospitals and social services.

In concert with this, Margaret Hodge MP, chair of the APPG on responsible tax, secured an adjournment debate in the House of Commons on 3rd February to discuss the issue. In response, the government minister Jesse Norman essentially said he can't comment on individual companies. The debate can be watched [here](#)

Luanda Leaks



[An investigation by The International Consortium of Investigative Journalists \(ICIJ\)](#) has revealed that Africa's richest woman - Isabel dos Santos - has made much of her \$2bn fortune by transferring wealth from one of Africa's poorest countries - Angola - to her own treasure trove of companies and offshore accounts many of them in tax havens. The Luanda Leaks draws upon over 700,000 documents originally collected by an anti-corruption charity: Platform to Protect Whistleblowers in Africa (PPLAAF). Isabel dos Santos is the daughter of the former Angolan president Jose Santos and it is claimed that it is connections afforded by her father that enabled her to extract so much wealth. What is particularly noteworthy about the leaks is the way in which they detail how Western companies and advisers facilitated the transfer of funds and in the words of the investigators "suggested ways to avoid taxes and turned a blind eye to red flags that experts say should have raised serious concern".

Millionaires and billionaires call for higher taxes - on themselves!

Over a hundred millionaires and billionaires have signed an open letter calling for higher taxes on the wealthy. In the letter - [millionaires against pitchforks](#) - they write " we urge you...to demand higher and fairer taxes on millionaires and billionaires within your own countries and to help prevent individual and corporate tax avoidance and evasion through international tax reform efforts. We make this request as members of the most privileged class of human beings ever to walk the earth." They highlight the impact on "social cohesion" of extreme inequality, and comment that " Globally over the last several decades, tax receipts from the ultra-wealthy and corporations have declined precipitously. In some nations, the wealthiest actually pay lower effective tax rates than those of modest means." That is certainly true in the UK where the richest actually pay lower net tax rates than the poorest. UK signatories to the letter include the actor Simon Pegg, the director Richard Curtis and

the business man Julian Richer.

In brief

- [UN announces new high level panel on financial accountability, transparency and integrity](#)
- [The big 4 accounting firms have all endorsed country by country reporting - eventually!](#)
- [Christian Aid release new report detailing how tax breaks in the global south harm economic development](#)
- [FTSE chief executives earn average salary in just three days](#)

And finally...

There was a rich man who was dressed in purple and fine linen and lived in luxury every day. At his gate was laid a beggar named Lazarus, covered with sores and longing to eat what fell from the rich man's table. Even the dogs came and licked his sores. The time came when the beggar died and the angels carried him to Abraham's side. The rich man also died and was buried.

In Hades, where he was in torment, he looked up and saw Abraham far away, with Lazarus by his side. So he called to him, 'Father Abraham, have pity on me and send Lazarus to dip the tip of his finger in water and cool my tongue, because I am in agony in this fire.' But Abraham replied, 'Son, remember that in your lifetime you received your good things, while Lazarus received bad things, but now he is comforted here and you are in agony. And besides all this, between us and you a great chasm has been set in place, so that those who want to go from here to you cannot, nor can anyone cross over from there to us.'

He answered, 'Then I beg you, father, send Lazarus to my family, for I have five brothers. Let him warn them, so that they will not also come to this place of torment.' Abraham replied, 'They have Moses and the Prophets; let them listen to them.' 'No, father Abraham,' he said, 'but if someone from the dead goes to them, they will repent.' He said to him, 'If they do not listen to Moses and the Prophets, they will not be convinced even if someone rises from the dead.' (Luke 16:19-31)

What is this parable about? On the surface, we might be tempted to think that it's a warning about the life to come and an encouragement to repent as otherwise we face the fires of hell. But I do not think that is its purpose at all. Scholars have pointed out that the parable has well known parallels in other ancient near east literature, and in all of them the emphasis is on the reversal that happens in the afterlife. The poor man in this world becomes rich in the world after; the rich man in this world becomes poor or suffers in the life to come. The point of the parable, then, is to not to provide a literal description of the fate that awaits us, but instead provides a morality tale to encourage ethical behaviour in *this* life.

It comes shortly after Jesus has chastised the Pharisees for their love of money and his proclamation to them that they cannot serve two masters (Luke 6:13). In this

context, and in the whole Lukan context, the parable acts as a critique of those who seek to store up as much wealth as possible and fail to share it with the poor in their midst. The point of the rather gruesome depiction of hades is intended to shock us into divesting of our wealth for the sake of others. It is in short a parabolic command that our goal should be equality. If we heed its message, that is the real challenge we face.

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