

We want our

Island Back



Newsletter

December 2005

Letter from the Editor

Our Jersey Government has been elected. States Members were put into office by those who voted for them as well as those who chose not to vote for whatever reason. They contributed to the outcome by their silence. Now the die is cast.

However, democracy means a great deal more than simply voting in a few individuals and then sitting back and doing nothing until the next election. True democracy means being actively involved all the time. We need to engage in discussion with our elected representatives and they with us. This is what it's about.

Healthy democracy encourages free speech and the right to peaceful demonstration for all its people. We are not in the least bit against the finance industry as such, unless of course, it is involved in the immoral practice of allowing rich individuals and large companies to avoid paying their fair share of tax while those who can least afford it here in Jersey are browbeaten into paying exorbitantly high prices and ever-increasing taxes.

Attac International stands for fair taxation and is alive and well world-wide. There are 30,000 members of Attac in France alone. Some might say that's the French for you! Well, I am delighted to say that the battle for fairness in taxation and social justice is being fought on the international stage. In a globally interconnected world, tax avoidance is an international issue and inevitably interests NGOs, United Nations and Aid agencies. Attac Jersey is also a member of the international Tax Justice Network.

The good news is that 10 leading charities which include Amnesty International, CAFOD, Christian Aid, The Corner House, Friends of the Earth, Global Witness, New Economics Foundation, Tax Justice Network and WWF published a report on December 1st exposing the damaging impacts of the European finance sector on the environment, human rights and development.

The report has been compiled in response to the UK government's failure to exercise leadership to ensure that the finance sector does not continue to undermine global policy objectives in areas ranging from climate change, to corruption, to the Millenium Development Goals.

The report accuses European banks and financial institutions of benefiting from corruption, profiting from poverty and social exclusion, as well as contributing to human rights abuses and environmental degradation, and includes case study examples of all of these. It includes alternative proposals that are more likely to deliver greater accountability and lasting sustainable development.

To access this ground-breaking report, "A Big Deal? Corporate Social Responsibility and the Finance Sector in Europe"

www.taxjustice.net

click menu for 'Resources' - 'Articles' dated December '05

Pat Lucas

Hot Potatoes!

Human nature, how strange it is! All my life, and it is getting longer, I have wondered how some people tick. You can show some a white article and they will argue that it is definitely black and it goes on and on. Just look at the smoking issue, even with indisputable evidence some still argue that it does no harm. Once an idea is there it is very difficult to change.

Suggesting that tax should be levied on all in the same way is another one and those with vested interests will immediately see that the very idea is a threat. Any such suggestion is labelled as anti-finance, whatever that is supposed to mean. I suggested in one of our newsletters that our finance industry should pay their dues just as everyone else has to, and that I felt it wrong that the people should pay a huge sum of money to keep them happy especially when the industry is making a bomb out of being here. Mr Boothman then came at me as being anti-finance. Even though I sent him our mission statement he chose to disregard the plain fact that we are not against finance per se, but that it should be fair in its execution, so I give up on his blinkered opinion.

Another hot potato is the word ATTAC. Some people fail to accept that it is not an aggressive organisation. They have that idea embedded in their minds and no amount of persuasion is going to change it. We are, however, assertive because we take our work seriously. The rest of the world have no problem with our name which they know stands for the Association for the Taxation of financial Transactions for the benefit of Citizens.

We now have a new government and a new beginning and will have a chief minister on Monday. I only hope that the elected listen and take notice of those who elected them and are able to look at things with an open mind and with a new perspective. I think very soon we will find out which way it is all going to go. So, I hold my breath but whichever way it operates this is the Government that has been chosen democratically.

John Heys

Election Time

I stood for election as Deputy for St. Saviour's Parish in November 2005 but was not lucky this time. Who knows for the 2008 election? Of all the candidates I was the only one able to vote in the Parish as I live in the district! It was an enjoyable experience meeting as many parishioners as possible. However, holding down a job and having union duties which involve helping people in their working lives and representing the Island regarding the present changes in the Employment Laws all demand careful balancing. Union recognition and representation, maternity leave, family friendly policies, sickness paid leave, health and safety at work, equal opportunities, equal pay, working contracts, holidays for all workers, and anti-discrimination in the workplace as well as in the community are all ongoing issues and will continue to be so until the Island has fair play.

These are just a few of the issues which are recognised in the U.K and E.U. Sadly, Jersey has been condemned as having the worst employment laws in the western world. Does our Island really want a reputation like this? I certainly don't.

It was very interesting talking to parishioners about their real concerns for the area:- traffic, building, children behaving badly, cycling on the pavement and a half-finished community centre. There are questions to be asked.

About traffic- Why wasn't there a questionnaire done asking the people if they wanted more schools built in the parish and how this would affect the traffic? There are now 12 schools in the parish. They are as follows:

St Michael, St Saviour, Grand Vaux, Jersey College for Girls, Highlands College, Springfield, Plat Douet, d'Hautrée House, Greenfield, F.C.J, Grainville and Hautlieu.

The last three are in the same area which has serious traffic flow problems both up and down Langley Park and Avenue. Some people assured me that they take their lives in their hands simply by walking down their road or driving out of their parking spaces.

Was a survey conducted on how this traffic flow would affect access to houses down there? If so what were the results of this survey? If no such survey was undertaken why not?

If damage is done to property who exactly should be responsible for picking up the bill? Who has to pay for road repairs? The rate payers!

Shouldn't the Island as a whole be prepared to put its hand in its pocket to fund any or all of this?

Also, it is to our shame and disgrace that small farmers are losing their livelihoods now the funding is being cut once again. Why not use their land for a Park and Ride system and charge half the price which people already pay to park in town? A Hoppa Bus service running from designated areas at peak times at a realistic price would cut the flow of traffic considerably and provide the farmers with a small income. School buses could run from those areas as well.

The next big concern parishioners had was children riding on pavements which is dangerous for them as well as for pedestrians. Apart from it being against the law to ride on pavements cycling lessons are being cut. Should provision of these lessons not be reinstated by schools as soon as possible? Surely this is common sense, something which is very uncommon in the Island at the moment!

Until States Members listen to the people who elected them nothing will change.

Rose Pestana

The Future is Rosy

The future is rosy according to Senator Terry Le Sueur, President of the Finance and Economics Committee. I presume he means for the 35% of our population who have above average income. It certainly looks rosy for our 155 1(1)k high value residents who, under the new 20% means 20% income tax regulations, will only pay 20% on the first million pounds of income, 10% on the next half a million

and 1% on anything after that¹. Therefore, you would imagine that they all pay in excess of the minimum £100,000 requirement. Well, our 155 1(1)k high value residents pay £11 million a year in income tax, that is an average of £71,000².

So, what about those whose income is just under or over average income (27,000)? They are a group of income tax payers who have seen wage claims pegged to below the cost of living for the last three years giving them approximately 7% to 15% increase in pay whilst their income tax bills have increased by approximately 80% to 90%. This is mainly due to the freezing of tax allowance thresholds. Deputy Southern's failed proposition to raise income tax by 2% for those whose income is in excess of £100,000 would have allowed some progress on tax allowances for low earners.

The Goods and Services Tax (GST) will also impact unfairly on low earners. The poorest fifth of our society will pay at least 5% more of their disposable income than the richest fifth, that is as long as it stays at 3%. This disparity grows as the GST rate increases. So, it would seem that life at the bottom of the socio-economic ladder does not look so Rosy, unless you are wearing Senator Le Sueur's rose- tinted glasses!

Endnotes

¹ JEP 18th October 2005 — ² JEP 29th April 2005

Chris Steel Dip SP&C, Cert SocSci (Open)
Treasurer Attac Jersey

How my Understanding has Changed

I had a birthday the other day. The next one I'll be a pensioner. Makes you stop and think! What about? About change and how my own understanding has changed.

I grew up in the 60's - a time when idealism was alive and well! Many of my friends and I decided to spend a year or two helping in the Third World. Whatever our motivation, wherever we'd been we all agreed that we had received more than we had given and the experience changed us for ever.

For two years I worked in Mexico just three hours from the Texan border. I remember Josefina and many like her whose house was a shed, cold in the winter and stifling hot in the summer. The USA was very close, generously helping its southern neighbour but always in its own way and on its own terms. Handouts responded to immediate need but they never quite solved the problem.

So, what were the problems and what still are the problems for many developing countries? Economies are weak and individuals are malnourished because of underdeveloped infrastructures. In simple terms individuals do not flourish when:

- their diet is poor;
- their housing is inadequate;
- their education is scanty;
- their healthcare is basic.

Hopes and aspirations are subjected to the immediate need to survive.

The strengthening of an infrastructure that helps society go forward is all important. A tax system that makes such needs a priority is essential. If developing countries are to thrive then individuals and companies must pay fair taxation in that country so that roads, houses, hospitals and schools can be provided. This is obvious, this is simple, this is straightforward though the detail needs careful planning.

I hadn't heard of Attac 5 years ago. Now I support it wholeheartedly because it gets to the very heart of the problem of poverty. In the name of fairness rich individuals and corporations must no longer deprive poorer countries by depositing their money in tax havens like Jersey.

If we really want to help our fellow men and women then we must find the political will to do so. The challenge is here and now and it will be painful. The people of this Island are being exploited too. We are being asked to pay a tax on goods and services, here in what is already a very expensive place to live. All this so that the tax-dodgers go on dodging paying their taxes.

Whenever I pop into my garden shed I think of Josefina. When all is said and done I have to ask myself is it right? is it decent? is it human that Josefina's shed is her home while my shed is a useful extra place to house my possessions?

Jean Andersson
Secretary Attac Jersey

News from Richard Murphy

Richard Murphy has just been awarded a commission by the Association of Chartered Certified Accountants to prepare a study on flat tax. Steve Forbes, one of the major proponents of flat tax in the USA quotes Jersey as an example of a flat tax state. We, of course, know that with 1(1)(k)s and all the loop holes our system has provided, and is likely to provide in the future, this is simply not true. We understand Richard has been asked to look at the social and economic impacts of the tax as well as its pure taxation dimensions and as such we look forward to his report, which is likely to be published in March 2006.

Richard Murphy has also confirmed that work is continuing apace with The Tax Gap report on which companies in the UK do, and do not, pay the full tax contribution that society expects of them. This is expected to be published in January 2006.

Richard Murphy hoped to be with us for our workshop on 4/5 February. Unfortunately he can't be. The IMF suggested him as a speaker at a high level academic conference on flat tax in Slovenia. He will be talking on the economic and political dimensions of the tax and will be sharing his session with the finance minister of Estonia and Alvin Rabushka, one of the original US creators of the flat tax idea. Slovenia is now considering a flat tax and is at the centre of the world-wide debate on this subject for that reason. In these circumstances we thought we should accept his apologies for absence.



This newsletter is produced by Attac Jersey which is a member of the international Tax Justice Network.

www.taxjustice.net

Want to know more?

Come to our next meeting. Thursday January 19th,
7.30pm at St Thomas' Church Hall
(to the left of the Church), Val Plaisant

A Workshop on the 3rd and 4th of February
Also at St Thomas' Church Hall

All Welcome

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