

# IT'S TIME TO END THE ERA OF TAX HAVENS

## CAMPAIGN GUIDE

The global inequality crisis has reached new extremes: The richest 1% now has more wealth than the rest of the world combined. You can change that.

Power and privilege are being used to skew the economic system to increase the gap between the richest and the rest. There is no better example of this than the global network of tax havens which are enabling the richest individuals and biggest corporations to hide trillions of dollars offshore, costing the world's governments hundreds of billions in lost tax revenue.

**The fight against poverty will not be won until the inequality crisis is tackled, and you can make the difference.**

Runaway inequality has created a world where a mere 62 people own as much as the poorest half of the world's population — that's 3.6 billion people. Even more shocking, this figure has fallen dramatically from 388 in 2010 and 80 as recently as 2015.

While the wealth of the poorest half of the world's population has fallen by a trillion dollars since 2010, the wealth of the richest 62 has increased by more than half a trillion dollars to \$1.7 trillion.

Urgent action is needed to tackle the inequality crisis. Tax havens contribute enormously to inequality, allowing rich individuals and multinational companies to avoid their responsibilities to society by hiding ever increasing amount of money offshore. Action is needed now to ensure they start paying their fair share.

### QUICK FACTS

**62** The number of individuals who hold the same amount as the poorest 3.6 billion people in the world

**\$542 billion** The increase in wealth of the richest 62 individuals since 2010

**\$1 trillion** The fall in wealth of the poorest 3.6 billion people since 2010

**1%** The increase in global wealth that the poorest half of the global population has received since 2000

**50%** The amount of the global wealth increase since 2000 received by the top 1%

**\$3** The rise in the average annual income of the poorest 10% of people in the world in almost a quarter of a century.

The consequences of inequality are corrosive for everyone. Extreme inequality corrupts politics, hinders economic growth and stifles social mobility. It fuels crime and violent conflict. It squanders talent, thwarts potential and undermines the foundations of society. Crucially, the rapid rise of extreme economic inequality is standing in the way of eliminating global poverty.

We can only improve life for the majority if we tackle the extreme concentration of wealth and power in the hands of elites.

Here are five things you need to know:

- Super-rich individuals have stashed a total of approximately \$7.6 trillion in offshore accounts around the world. Tax on the income that this wealth generates would mean an extra \$190 billion for governments every year.
- It's estimated that tax dodging by multinational corporations costs developing countries at least \$100 billion every year — money that is urgently needed for infrastructure and programmes.
- As much as 30% of all African financial wealth is estimated to be held offshore, costing an estimated \$14 billion in lost tax revenues every year — enough to pay for healthcare for mothers and children that could save 4 million children's lives a year and employ enough teachers to get every African child into school.
- Although extreme poverty was halved between 1990 and 2010, had inequality within countries not grown at the same time, an extra 200 million people would have escaped poverty.
- The share of national income going to workers in almost all developed and most developing countries has been falling and a widening gap between pay at the top and the bottom of the income scale. This particularly affects women, who make up a majority of low paid workers around the world.



[Read about Barbara Chinyeu and why ending the era of tax havens is important to tackling global poverty and inequality.](#)

## What can be done to end extreme inequality?

World leaders' concern about the escalating inequality crisis has not yet translated into concrete action to ensure that those at the bottom get their fair share of economic growth. In a world where one in nine people go to bed hungry every night we cannot afford to carry on giving the richest an ever bigger slice of the cake.

**Inequality is not inevitable, but the result of policy choices. If we want to tackle inequality, we must:**

### 1. Crackdown on tax dodging

The rapid growth of tax havens has allowed super rich individuals and multinational companies to avoid paying their fair share of tax. As a priority, Oxfam is calling for an end to the era of tax havens to help ensure governments are no longer denied the valuable resources needed to tackle poverty and inequality.

### 2. Increase investment in public services

Action to recover the missing billions lost to tax havens is urgently required. This must be accompanied by a commitment on the part of governments to invest in healthcare, schools and other vital public services that make a big difference to the lives of the poorest people.

### 3. Take action to boost the income of the lowest paid

Governments must ensure work delivers an acceptable standard of living for those at the bottom as well as for those at the top – including moving minimum wage rates towards a living wage and tackling the pay gap between men and women.

**Inequality is a global issue and the UK has a big role to play to even it up at home and abroad. That's why we're asking Prime Minister David Cameron to be a leader in helping end the era of tax havens.**

**Tens of thousands of you have already signed our letter to the Prime Minister. We've already had a big win because of Oxfam campaigners. The Government has backed the idea for companies to report where they pay tax, a big step forward to help end tax havens.**

**Commitments from the UK Government must include:**

- Demanding that the UK's Crown Dependencies and Overseas Territories, places such as the Cayman Islands, publish details of who owns and controls all companies, foundations, and trusts in their territories
- Extending the UK's company registry to include foundations and trusts, not just corporations
- Forcing UK-based multinational companies to report how much money they make and how much tax they pay in all the countries where they do business, including tax havens
- And ending the UK's tax practices that are damaging to developing countries, and working with other governments to tackle harmful tax practices globally.

The Prime Minister must also work with other countries to reform the broken global tax system. He is hosting a global anti corruption summit in May which presents a perfect opportunity to show leadership on these issues.

## How you can help end the era of tax havens.

Politicians have set the rules that have allowed tax havens to flourish. Together, we need to persuade them the rules must change and there's a lot you can do to help make that happen. Take action by yourself, with friends or others in your community and let's end the era of tax havens:

### 1. Contacting Prime Minister David Cameron

Ask your MP to write a letter to David Cameron urging him to help end the era of tax havens. You can get your MP involved by sending a letter to their constituency office, emailing them, or arranging a meeting to ask them in person. For more about exactly what to say, see our [February Supporter Briefing](#).

[Find your MP](#)    [Contact your MP](#)

Send an e-letter directly to David Cameron and tell him to end the era of tax havens.

Ask your friends and family to contact David Cameron directly. They can [sign the letter to him online](#)

### 2. Get others involved

Involving others increases awareness and actions which helps to put more pressure on politicians. You can engage people in many different ways like holding a campaign stall at a local event or put on a display in your library - whatever you want to do to communicate the campaign.

We have **posters** about the campaign you can use and **postcards** which people can add their name to and send to David Cameron to push him to end the era of tax havens.

### 3. Get coverage in your local media

Contact your local newspaper, radio, or online news source by writing a 'letter to the editor' about what you think about tax havens. Tax dodging is a hot topic right now so contacting your local media to tell them about the campaign and what people can do to get involved is newsworthy if you make it personal and are promoting an event or have a connection you can talk about.

Tip: They'll want to know why you're personally interested, so make sure to give it some thought!

### 4. Create a local stunt

A great way to get attention is to do a campaign stunt in your local area - a chance to use your creativity. A stunt is something that amplifies the campaign message in an eye catching way. You can use words, pictures and art, theatrics and props. You can wear it, act it or flash mob it - by yourself or with others. If you have a good idea and want support, we want to hear from you.

For help with any of these or your own ideas for actions, or to get resources, contact Kelly Mundy on 0161 234 2786 or email [kmundy@oxfam.org.uk](mailto:kmundy@oxfam.org.uk)

### 5. Using social media

Facebook, twitter and other social media channels are a great way to cascade campaign information far and wide, to lots and lots of people. We have tweets/posts and infographics you can use to share in your social media networks. The more people who know about the campaign and understand the issue, the more likely people are to join us!

## How to talk to your friends, family, and the media about tax havens

What is the difference between tax avoidance and tax evasion?
Tax avoidance = legal, using loopholes
Tax evasion = illegal, breaking the law

### “What is a tax haven?”

There’s no official definition or list, but Oxfam, like the [Global Alliance on Tax Justice](#), defines tax havens as jurisdictions or territories which have intentionally adopted tax policies and laws that allow non-residents (including both people and legal entities) to minimise how much tax they pay in places where they create their wealth. Common features of tax havens include very low or no taxation, and secrecy over who really owns and profits from the assets.

**“You say that corporate tax dodging costs developing countries billions, but in fact hardly any companies operate in really poor countries like those in Sub-Saharan Africa. It’s rich countries that miss out more as that’s where companies mainly do business.”**

Experts ranging from the UN Conference on Trade and Development to the International Monetary Fund estimate that corporate tax dodging costs developing countries at least \$100billion a year, and possibly double that.

Lots of the world’s biggest companies have supply chains that pass through a number of countries. For example, a company might source its raw materials in Indonesia, then manufacture its products in Vietnam, then ship them and sell them to customers in the UK. A

fair system would see them pay some tax in Indonesia, Vietnam and the UK. All too often though, a tax haven such as Bermuda or the Cayman Islands will be artificially inserted into this supply chain too, despite no real activity occurring there, and a small army of tax accountants will use that to avoid paying tax anywhere else - so Indonesia, Vietnam and the UK will all miss out.

Tax dodging is a problem for countries around the world, including rich countries – but as developing countries are more reliant on corporate tax revenues than richer countries, even relatively small sums of additional tax revenue could make a huge contribution to their under-resourced healthcare and education systems

### “What are you calling for companies to actually do?”

We’re calling for companies to pay their fair share of tax in the countries where they actually do business and enjoy benefits such as resources, workforce and customers, and to publish this information. Companies need to see their choices about where to pay tax as a human rights issue – and a moral one.

### “Why do you say women are disproportionately affected by inequality?”

Around the world, women make up the majority of those in the worst-paid and least secure employment. The growing gap between super-rich and the poorest is interlinked with gender inequality, and need to be tackled together. That means an approach that enables a more level playing field for women, such as safe working conditions, support with childcare and free healthcare and education.

## Resources

### Template letter to the editor of your local

**paper:** Personalise the letter below and help spread the word about tax havens!

Dear Editor,

I am deeply concerned that runaway inequality has created a world where 62 people own as much as the poorest half of the world's population. It has fallen from 388 as recently as 2010 and 80 last year.

Meanwhile the wealth of the poorest half of the world's population — that's 3.6 billion people — has fallen by a trillion dollars since 2010. Shockingly tax dodging by multinational corporations costs developing countries at least \$100 billion every year.

I think we must urgently tackle this inequality crisis and reverse the dramatic fall in wealth of the poorest half of the world. In particular we must end the era of tax havens which has allowed rich individuals and multinational companies to avoid their responsibilities to society by hiding ever increasing amounts of money offshore. Globally, it is estimated that super-rich individuals have stashed a total of \$7.6 trillion in offshore accounts. If tax were paid on the income that this wealth generates, an extra \$190 billion would be available to governments every year.

Yours sincerely,

[Your name]

### Social media tools

Copy these messages and share them on social media to help #EndTaxHavens

#### Facebook

- Because of tax havens, poor countries are missing out on a massive \$170 billion in lost tax revenues every year. Just a quarter of that money would be enough to build schools, employ teachers, and buy resources like textbooks for every child in the world currently missing an education.

Why should super-rich individuals and multinational companies get away with not paying their fair share of tax, while millions of children miss out on a life-changing education? It's time to #EndTaxHavens once and for all.

- Developing countries lose at least \$170 billion in tax revenues each year because a vast amount of money is hidden in tax havens like the Cayman Islands. The tax lost to Africa alone could be enough to pay for healthcare to save the lives of 4 million children. Help #EndTaxHavens: [oxf.am/Znav](http://oxf.am/Znav)

#### Twitter

- Angry about tax havens? Want @David\_Cameron to do something about it? Take action now: [oxf.am/Znav](http://oxf.am/Znav)
- The extremes of wealth + poverty are exactly that — EXTREME. We can't stand by and do nothing: [oxf.am/Znav](http://oxf.am/Znav)
- Help #EndTaxHavens so millions of children can get the education they need to beat poverty: [oxf.am/Znav](http://oxf.am/Znav)

## Social media images

[Click here](#) to download a zip file of these images and share on Facebook, Twitter, or Instagram. Include your own reasons for why we must #EndTaxHavens, or pair them with the social media posts above



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[www.oxfam.org.uk/endtaxhavens](http://www.oxfam.org.uk/endtaxhavens)

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