



# up front

spring / summer 2013 [waronwant.org](http://waronwant.org)

## TIME FOR **TAX** JUSTICE

## **Campaign** for a Living Wage

## **Stop** Arming Israel

**WAR  
ON  
WANT**  
FIGHTING GLOBAL POVERTY

# WELCOME



The recent scandals involving Amazon, Google and Starbucks

have brought the issue of tax avoidance to public attention. In this issue of *Up Front* we highlight the sheer scale of the problem and the impact it has on vulnerable people the world over. We also bring you up to speed with our Stop Arming Israel campaign, plus news of success in our seven-year campaign to secure a supermarket watchdog with the power to fine – an amazing victory for the workers around the world who pick, pack and grow our food, achieved all thanks to your support.

*John Hilary*

**John Hilary**  
Executive Director



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Front cover image: M. Holland

# TAX

## THE BILLIONS DODGED AND OUR CAMPAIGN TO STOP THE UK GOVERNMENT FUELLING TAX AVOIDANCE

# JUSTICE NOW

**Tax plays a vital role in society. It redistributes wealth from corporations and rich individuals to fund vital public services like healthcare and education, and it tackles poverty and inequality. Or at least it should.**

**In reality multinational companies are dodging billions of pounds of tax every year, acting as giant corporate parasites on the countries they operate in, sucking profits out and leaving the rest of society paying the price.**

The sheer scale of the problem is staggering. As much as £20 trillion is now held in secrecy jurisdictions, better known as tax havens. These allow big companies and rich individuals to hide billions away from the prying eyes of the tax collectors. If this money was subject to tax it could generate as much as £180 billion a year in extra revenue: a sum so vast that just 1% of it could pay for an extra 85,000 NHS nurses or 1,720,000 Indonesian primary school teachers. Imagine what a difference 100% of this money could make to people across the world. Instead it's swelling corporate coffers and making the rich even richer.

Tackling tax dodging is not just about raising more money. Tax Justice Network Africa points out that tax revenues are necessary for any state to meet the basic needs of its citizens: "Tax revenues will be essential for establishing independent states of free citizens, less reliant on foreign aid and the vagaries of foreign capital." This is impossible for countries to achieve when faced with the exploitation of their tax system by multinational companies.

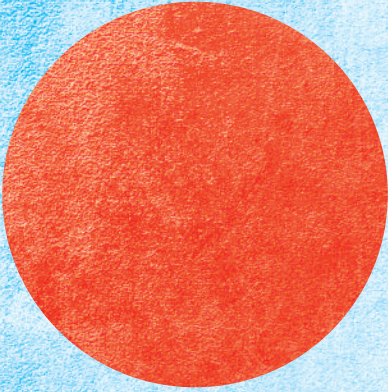
But tax dodging is not just an issue for countries in the global South. Every year the UK government loses out on £25 billion in revenue due to tax avoidance by large companies and rich individuals, while simultaneously slashing spending on vital public services and welfare, increasing poverty and inequality.

Multinational companies don't operate in a vacuum – it's the tax rules of countries like the UK that allow them to dodge tax on such a massive scale. The UK plays a central role in the 'offshore' system; the UK's own network of island jurisdictions such

# TREASURE TROVE

The wealth held in tax havens is greater than the GDP of the US and the UK

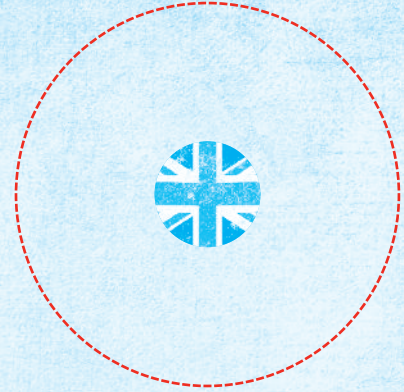
**TAX HAVENS**  
£20tn



**US GDP**  
£9.5tn



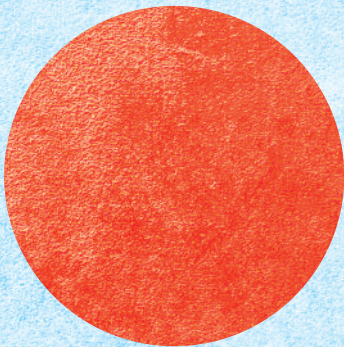
**UK GDP**  
£1.5tn



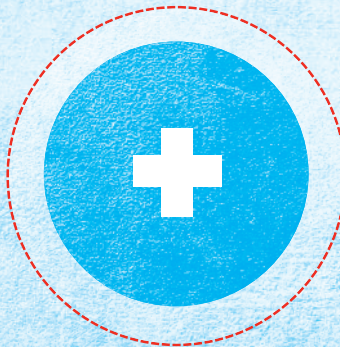
## IF TAX HAVENS WERE ABOLISHED

This wealth would be subject to tax, generating more money than the UK government spends each year on healthcare and education put together

**POTENTIAL TAX REVENUE**  
£180bn



**NHS**  
£109bn



**EDUCATION**  
£56bn



as Jersey and the Cayman Islands rank amongst some of the most prominent tax havens in the world.

Despite growing public anger over tax avoidance in the UK, the government has actually changed the UK's tax laws to make it easier for companies to shift profits through tax havens. It's a change set to lose the UK government a further £1 billion a year and developing countries £4 billion a year. This year, at a time when vulnerable people are bearing the brunt of the cuts, the government is proposing yet more changes which will act as a huge tax giveaway to some of the UK's largest companies.

We've got to show the UK government that we mean business and that they must stop allowing multinational companies to get away without paying their fair share. This year War on Want will be campaigning for strict new rules to put a halt to tax avoidance in the UK and calling for the abolition of the UK's own network of tax havens. We need

you to join the campaign and spread the word to help force the government to act. Together we can stop multinationals behaving like corporate parasites on our world.

**Take action and demand tax justice now!**  
Visit [waronwant.org/tax](http://waronwant.org/tax)

## Tax Victory

When War on Want launched the call for a tax on bank transactions called the Tobin Tax in 1998 we were a lone voice in the campaign for tax justice. Fifteen years on and now known as the Robin Hood Tax campaign, our persistence in the fight for this progressive tax has paid off. In January this year 11 EU countries voted to introduce the tax on banks' transactions. **Victory!**



# The **fight** for a living wage

**Declining wages, long hours and constant job insecurity are preventing workers being valued as human beings, with the right to live in dignity.**

**In fact, the workers producing our goods – from fruit, vegetables and tea to flowers, wine and clothes – are struggling to get by on wages that don't even cover their basic needs.**

This is because the legal minimum wage is calculated according to market rates, rather than the amount that people actually need to provide for themselves and their family. The cost of labour is reduced to maximise profit for companies and businesses, squeezing workers' wages and perpetuating exploitation. Challenging this concept, workers, trade unions and social movements are calling for the right to a living wage, calculated according to the needs of workers and their families – such as food, shelter, clothing, education and healthcare – and earned without being forced to work overtime.

Along with our allies around the world, War on Want has campaigned for many years for wage increases and decent working conditions as part of the fight against global poverty. Our campaigns have already delivered tangible gains for millions of low-paid workers. But at a time when powerful forces are bearing down on wages at the bottom end of the labour market, there are still so many people struggling to make ends meet on poverty pay. So starting this summer, we're stepping up the fight for a living wage.

Get ready to help us spread the word and build support for this campaign by signing up for War on Want's email updates

and following us on Twitter and Facebook. It's time to make a stand against poverty pay. It's time to stop companies exploiting their workers.

It's time for a living wage. [waronwant.org/livingwage](http://waronwant.org/livingwage)

## The deadly cost of denim

Distressed denim jeans are a fashion must-have. But these jeans come at a high price: the health and even the lives of garment workers.

The process of sandblasting is fast and cheap and has become the key production method for jeans requiring a pre-worn look. Together with labour campaigning organisations and our partner in China, Students & Scholars Against Corporate Misbehaviour (SACOM), we are working on an explosive report which will expose the risks faced by Chinese garment workers forced to use sandblasting. The technique is banned in many countries after it was proven to cause fatal lung diseases, including silicosis. But while brands claim to have banned sandblasting practices in their supply chains, our research reveals a different story.

**Sign up for emails to see the report when it's launched: [waronwant.org/signup](http://waronwant.org/signup)**



# STOP ARMING ISRAEL

**Last November the Israeli army launched a military assault on Gaza using drones, Apache helicopters, F-16 fighter jets and naval vessels. The attack lasted eight days with civilian areas bombarded from air and sea with horrific effect. This assault marked an escalation in Israel's policy of collective punishment against the Palestinian people and, once again, the UK government failed to condemn Israel's actions. Instead, it continues to trade arms with Israel – not only selling, but also importing the latest military technologies.**

The British army has awarded Israeli company Elbit and its partner company Thales UK a contract worth over US\$1 billion to develop a new surveillance drone called 'Watchkeeper'. Until the Watchkeepers come into service, the UK government is leasing Israeli drones in a 'pay by the hour' contract for use in Afghanistan.

Outraged by the latest attack on Gaza and the complicity of the UK government, thousands of War on Want supporters like you joined our Stop Arming Israel campaign calling on the government to introduce an immediate two-way arms embargo on Israel until it complies with international law.

We need to keep up this pressure on the government until it commits to action – so if you're yet to take action, please do.

War on Want has a crucial role to play in speaking out against Israel when others are afraid to do so. Israel's gross violations of international law are only possible with continued financial, military and diplomatic support from Western states including the UK government, so we must do everything we can to provide a strong alternative voice.

War on Want will continue to mobilise support to help build the global movement of boycott, divestment and sanctions (BDS) against Israel until it complies with international law and meets three basic demands: an end to the occupation, the right of return for Palestinian refugees, and equal rights for Palestinian citizens of Israel. BDS was successful in helping to combat South African Apartheid, so we're calling on all people who want justice for Palestinians to boycott Israeli goods. We want investors to withdraw from companies that profit from the occupation and we're calling on the UK government to introduce trade sanctions on Israel. Join our call and help win justice for the Palestinian people.

**Take action: support us in the call for a two-way arms embargo on Israel [waronwant.org/Palestine](http://waronwant.org/Palestine)**

# Let the people trade

For millions of poor street vendors in Kenya, 2013 marks a new era as their right to work has finally been recognised. Forced to find an alternative way to make a living when economic meltdown led to devastating job losses, many Kenyans turned to trading, selling everything from tomatoes to shoes to support themselves and their families. Working in deplorable conditions, street vendors faced constant harassment, confiscation of stock and potential arrest. Thanks to the tireless campaigning and lobbying of War on Want's partner, the Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT), a new law has now been introduced allowing marginalised vendors to trade without persecution and the chance to negotiate better labour conditions. A huge step forwards for millions of traders and their families.



## Join a reading group

War on Want's new online and offline reading group, set up with Jubilee Debt Campaign and the Trade Justice Movement, is for people who know that there's something seriously wrong with the economic system and want to understand more. The readings on offer are all free and cover a range of material that help you get to grips with the history of the financial crisis, who makes the decisions, who is paying the price and what people are doing about it. You can read alone and use the online comment facility to engage with other people, join a local reading group or set one up yourself! **Check out the suggested readings and find a local group: [econowhat.org.uk](http://econowhat.org.uk)**

## It's YOUR legacy

Don't let George Osborne decide what to do with your money. Whether you're making your first will, or updating an existing will because your circumstances have changed, it's easy to leave a legacy to War on Want.

We have a codicil which you can fill out and put with your will to leave a gift to War on Want so that you can make fighting poverty your lasting legacy. Just call Adina on **020 7324 5043** or email her at [legacies@waronwant.org](mailto:legacies@waronwant.org) for your copy. Find out more: [waronwant.org/legacy](http://waronwant.org/legacy)

## In memory of Khorshed Alam

War on Want has been shocked and saddened by the untimely death of Bangladeshi labour rights activist Khorshed Alam, who has died suddenly, aged 46, of septicæmia.

Khorshed's research over many years for War on Want has brought huge public attention, exposing the poverty wages and sweatshop conditions faced by Bangladeshi garment workers producing clothes bound for sale in the UK. His studies and unwavering commitment have helped win garment workers rights to maternity and paid leave, as well as rises in the national minimum wage.

Khorshed showed great courage in a country where many rights campaigners face state repression. He once said: "Fighting against inequality is a hard path. I have taken this hard path, consciously, and will follow this path till the last day of my life." His loss as a colleague and friend will be keenly felt by all at War on Want.



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# Supermarket watchdog **victory**

● **We did it!** War on Want's seven-year campaign to stop the exploitation of workers in supermarket supply chains achieved a double victory when the government not only agreed to introduce a supermarket watchdog, but also bowed to public pressure by announcing that the watchdog will have the power to fine. Better still, many of our other campaign demands, such as allowing trade unions and campaigners to bring complaints to the watchdog, have also been secured.

A supermarket watchdog with the power to fine is a vital step towards achieving justice for the workers around the world who pick, pack and grow our food. This huge success was only possible thanks to the dedicated campaigning of our supporters, with thousands of people across the country pushing their MPs for action to stop supermarkets bullying their suppliers. **Give yourselves a big pat on the back.**

# Give in **celebration**

● Whether you're celebrating an anniversary, birthday, retirement or wedding, if you want to add a touch of global justice to your celebration, why not invite your family and friends to donate to War on Want?

Patrick and Martin joined our fight against poverty by asking their loved ones to celebrate their civil ceremony by giving donations to War on Want. You can join the fight too! In a few simple steps you can create and personalise your own fundraising page and invite friends and family to make a donation.

If you feel inspired and want to know more, please do get in touch at [support@waronwant.org](mailto:support@waronwant.org) or start fundraising at [waronwant.org/sponsorship](http://waronwant.org/sponsorship)



## **LUSH** donate £20,000

● Following their amazing commitment to help us promote the OneWorld Freedom for Palestine single, handmade cosmetics firm LUSH have nominated War on Want as one of 10 campaigning groups to each receive £20,000 – no strings attached! Our independent voice is critical if we are to challenge the root causes of global poverty and oppression. We'll use this donation to help strengthen our campaigns and build the movement for real, lasting change based on justice for the world's poor. **Thank you, LUSH!**

## Fuelling hunger **in Africa**

● We have uncovered alarming evidence that the UK government has been using hundreds of millions of pounds of UK taxpayers' money to tighten corporate control over the food system in Africa – with potentially devastating effects on small-scale farmers and rural communities.

Our report: *The Hunger Games: How DFID support for agribusiness is fuelling poverty in Africa*, reveals that not only is the UK aid budget being used to support some of the world's largest multinational corporations, it is also being routed through one of Africa's foremost tax havens, Mauritius. This allows companies to avoid paying taxes that could be used by national governments to support small-scale farmers and genuine agricultural development. This is an abuse of aid that needs to be confronted.

Dubbed "one of the year's most important reports on aid" by aid expert Jonathan Glennie, *The Hunger Games* is free to download:

[waronwant.org/hungergames](http://waronwant.org/hungergames)

