

A reparational justice journey: Transcript of the Taxcast, #105

Naomi: “Hello and welcome to the Taxcast from the Tax Justice Network – your monthly podcast on how to take back control from the super rich and powerful. And how to reprogramme our economies to work for all of us. I’m your producer and host, Naomi Fowler. I’m joined each month by John Christensen, say hello John!”

John: “Hello everyone!”

Naomi: “Make sure you never miss us – drop me an email on naomi@taxjustice.net to subscribe and you’ll be the first to hear the latest Taxcast. Coming up later:”

Rev Dr Peter Cruchley: “This is an investment in acts of defiance that could bring change”

Naomi: “A reparational justice journey. We talk to the Council for World Mission.

For those who think it’s all bad news at the moment, here’s some news to be happy about this month: New Zealand’s Labour Party under Jacinda Ardern won a historic landslide victory off the back of probably the best leadership and protection of people against covid19. The party also won on a manifesto of tax rises for top income earners, that’ll affect just 2% of New Zealanders, and a Digital Service Tax aimed at multinationals.

Speaking of which, in the US there’s evidence of a significant political shift away from the usual shoulder shrugging 'there’s no alternative' on breaking up the gazillion dollar company Google. It's not very often you hear about a "victory for anti-monopolists" BUT the US Department of Justice is accusing Google of illegally tying Search function to its mobile phone operating system Android and its Chrome browser. Even conservatives seem committed to this and a decent judge has apparently been appointed to hear a case.

And, in Geneva voters have voted in one of their famous referendums to raise the minimum wage there to just under £19.50 an hour, that’s \$25 an hour at today’s exchange rates – leaving the reasons why it’s so expensive to live in Geneva aside - it shows it can be done – it’s set to benefit 30,000 low-paid workers, two-thirds of them women.

Ok, that’s it for the news roundup, now let’s hear from the Tax Justice Network’s John Christensen and his take on this month.

Naomi: Okay, John, the global economy is facing a catastrophe. It's something we've not seen in our lifetimes before. Public investment by government is the only way out of it. And we've talked on the Taxcast before about the delusions of some governments and economists that we might see a V shaped recovery. We've talked about why so many economies are in no fit state to weather something like this. Big companies, the biggest players are all heavily indebted, sometimes as a tax dodge, they're heavily financialised, big fat salaries and perks at the top of the tree, they're all focused on acquisitions of their competition and on tax minimization, not innovation and genuinely productive activities. Now that most countries are well into a second wave of COVID the IMF is predicting the worst depression since the 1930s. And what's interesting is that for so many decades they've been advising poorer nations struggling economically to sell their most valuable assets, open up their markets, supposedly to investment, which turns out to be extraction.

They've told them to cut back on their public services. But now that wealthier nations are in big trouble because of COVID and wealthy governments are sort of like rabbits caught in the COVID headlights, the IMF and the world bank have done a total turnaround. And they're calling on governments to increase public investment to aid an economic recovery and create jobs it's as though they never pushed structural adjustment programmes on nations in exchange for loans!"

John: "Yes, so right at the start of 2020 I remember listening to some medical historians discussing previous pandemics, for example, the Spanish, so-called Spanish flu of 1919, 1920. And they said that the second wave is typically much more damaging than the first and therefore governments need to plan accordingly and everything that's happening now across the world tells me they were correct. It's an error to think that limiting the spread of COVID comes at the cost of protecting jobs and businesses. So the pandemic is forcing a long overdue rethink of economics. And this rethink has reached the very highest level of economic policymaking. When the international monetary fund issues policy advice to governments that they need to foster a strong recovery from the pandemic, even if this takes the level of public debt to record over 100% of global domestic product by the year end 2020, we have clearly entered new territory. Now, just remember that a decade ago, the international monetary fund responded to the 2008 banking crisis by calling for austerity. But austerity was exactly the wrong policy response at that time, even the fund's internal audit team was critical of that advice. And the international monetary fund has subsequently revised its guidance. So austerity is out, state-led investment is in."

Naomi: "Yeah, the IMF is saying that in these COVID times, quote: "for advanced and emerging market economies, increasing public investment by 1% of GDP in these economies would create 7 million jobs directly. And between 20 million and 33 million jobs overall when considering the indirect macro economic effects.""

John: "Yeah, now what's behind this change of thinking? Well firstly, the last decade has shown that given the high level of uncertainty about economic prospects, including rising inequality, record levels of private debt, climate crisis, protectionism and so on, prospects for a private sector-led economic recovery are pretty slim for at least the coming decade. Without state intervention on a truly massive scale recovery won't be anything like the V-shaped recovery that some economic commentators have been talking about, much more like a protracted L-shape. And even reference to the 1930s depression is misleading in my opinion, we're much more likely to be facing the long depression comparable to the period of the banking crash of 1873. Listeners should look up that banking crisis to realise how heavily that impacted economies across the world. So, the international monetary fund is making the case for States to borrow heavily in the coming year. And they can do this because interest rate levels are so low that servicing the debt would not pose problems for the leading global economies. Indeed, the growth rate that state-led investments would stimulate would actually boost the necessary recovery and remove the need to impose yet more austerity measures. And as this state-led investment growth continues in the medium term through to 2025, the International Monetary Fund expects that deficits will remain

manageable without any need for public spending cuts or indeed tax increases on working and middle class households. But as you said, there is a major caveat to this situation.”

Naomi: “Yeah, poorer countries are in no position to borrow, they're in no position to spend, are they? So for decades, the IMF insisted on direct controls over government policy that are pretty much what colonial administrations had. And there's really no doubt that the IMF and the World Bank should accept their responsibility for the social unrest linked to historic structural adjustment policies for wage freezes, the ending of subsidies of basic goods for ordinary people. And all of that, and now there's a huge new loan crisis looming in whole regions of poorer countries of the likes we saw in the 1980s and those same countries that never recovered from the IMF's medicine in the past are in no position to do what the IMF now recommends, which is *increase* their investment in health, healthcare, social housing, digitalisation, and environmental protection. There's never been a more obvious time to talk about reparational justice here, is there? And it's time for the World Bank and the IMF to write off what are really odious debts, unjust depths legally, and not talk about aid, but about apologies and making restitution. Wealthier countries have the resources, they've got the strong currencies and the central banks to invest in people and in green transition. Poorer countries, they've got weaker currencies. So what do they need most urgently? Because money has been flowing out of their countries even faster than it did before COVID.”

John: “Yeah. Much of the economic harm of this coming depression is likely to impact the countries of the global South with great severity, far greater than the global North. And those are the countries which can least easily borrow and which are most prone to capital flight to offshore financial centers, and again, most vulnerable to tax avoidance by multinational companies, all of which will make it that much harder for the governments of the global South to invest their way out of this depression. And in this situation, we should be looking to the International Monetary Fund and the World Bank and other multilateral agencies to support the countries of the global south in a number of key ways - debt write off, for example, allowing for the imposition of capital controls to impede capital flight, new loan facilities, reflecting the ultra low interest rates that we have at the moment, new rules for taxing multinational companies. We should be looking for multiple solutions to the crisis now facing the global South.

And I'd like to flag up one further issue, which I thought was very interesting coming out of the International Monetary Fund and this relates to China and to the United States. So look, while this fund thinks that most countries in the North, most of Europe, for example, Canada, Australia, Japan will be able to stabilise their public debt by 2025 thanks to the economic stimulus of state-led investment combined with low interest rates, in the case of China and the United States, they're less confident. And this is partly because of the scale of public debt in the case of China, but also because of the scale of recent tax cuts in the case of the United States. To put it simply, Trump's 2018 tax cuts provided a sugar rush of an economic boost, but has exposed the United States to a worsening fiscal crisis in the coming years.”

Naomi: "Thanks John! Now it's time for the Taxcast special feature: we can't transform our economies so they work in all of our interests without facing the crimes and inhumanities of the past. The same toxic ideas behind the slave trade and empire still shape some of today's predatory, extractive business models, and our cultures. The Council for World Mission is a global partnership of Christian churches. And for a number of years now they've been on a reparational justice journey. I'm talking with Reverend Dr Peter Cruchley of the Council for World Mission (or CWM) and economist and reparations specialist Priya Lukka:"

Naomi: "Let's start with why you at the Council for World Mission felt that you needed to make reparations and engage in restorative justice? I know that you were formerly known as the London Missionary Society, so that gives some clues."

Peter: "We've been an organisation since 1795 and that's when the London Missionary Society began. We know that our history reaches before the end of the slave trade and we've been working in the last 10 years especially on an analysis of power relations, global issues through the image of empire. Even though we live in a decolonised context the empire continues to shape our reality in different ways, economically, politically. And that also kind of turned us to think about our own particular story. The treasurer of the London Missionary Society, William Hankey features in an ignominious moment in our nation's life actually. He was invited to testify before the parliamentary select committee looking at manumission of slaves. And he goes in 1832 and justifies slavery. And he justifies evangelism among slaves on the basis that it made them better behaved, and it made them more valuable in the slave market. So he makes this justification of enslavement using the London Missionary Society's work as key to that, and key to his own personal aggrandisement. And as we know, from all the recent work, others, especially University College London are doing, that names people who took compensation for the emancipation of the human beings they owned, that he received close to the equivalent of 560,000 pounds in 2019 terms. So our London Missionary Society committees in London churches are outraged and appalled to hear this. And so he, he resigns. But actually, if you look at all the materials in our archive, whilst he steps down as treasurer, he continues to be involved in the London Missionary Society until his death 20 years later, and his own personal bank is the bank that the London Missionary Society use, and continue to use after his death, through his son. And the plantation that he owned in Jamaica was sold in 1954. And the proceeds from it come into Council for World Missions through one of our constituent historical predecessors, so we can point to particular financial legacies in those ways and individuals like William Hankey. Also a later treasurer Sir Cullin Eardley Smith is someone else who was a plantation owner who received compensation at emancipation. But also we're mindful as we're trying to work this through, that the London Missionary Society belonged to this emerging industrial revolution class, the mercantile class, and there were those who were particularly involved in forms of industry that were complicit in enslavement, so that, for example, in Wales with wool or Scotland in terms of tobacco and so on, we are just knitted into the system and structures that prospered from the slave trade and perpetuated the slave trade, even to the extent that in the early days when missionaries are being transported, slave ships are used. So we see that some of these direct and indirect legacies. When confronted, London Missionary Society leaders told their missionaries to say nothing

about freedom, keep quiet, don't stir up revolt. Don't give the slaves the hope of liberation. So all of this kind of comes together as a sense of, you know, owning our story.”

Naomi: “And what does the process of reparational justice, what does it actually mean to you at the Council for World Mission?”

Peter: “It's a moment of confession and repentance. So it's, it's both an act of shame, but it's also a commitment to change. We've been challenged particularly to understand that this is not something we can just give, to give back to ourselves. And that's been a very kind of clear piece on how we're trying to shape things and to understand the truth telling that's required for this work requires truth acting, that we need to follow this through. We are committed to creating change in our communities, but also change in our systems and structures.”

Priya: “Yeah, I think that having participated in the stages that I have been invited to in CWM's process, I can see that it's involved stakeholders and there's been a strong emphasis on redistribution, compensation and generating agency, which are all so important in the whole process. In this process it's really important to think who is asking different bodies to do this work? On whose mandate and who are these constituencies that this work seeks to report for, seeks to action change for? The principle of consultation and participation has to be present, and all of those who work to seek to establish an understanding of reparations must connect and be responsive to, and be guided by movement strategies on reparations. And I think that that's been really clear in CWM's approach so far.”

Naomi: “Right. I know that the CWM, the Council for World Mission has been working on this for a long time, and thinking about it deeply for a long time. Can you take me through your process so far?”

Peter: “We set it up through 2017 and 2018 with four hearings, one in UK, one in Ghana, one in Jamaica and one in the US. There was a gathering in which we recognised the history and legacies of slavery in our story and our communities there. And then moved to contemporary manifestations of that, in our lives still. And then to a period of kind of processing what we had been hearing. We made space for lament, and we made space for pain. And for hearing that and sharing that and acknowledging that, and then out of those dialogues the group brought forward ideas, thoughts, reflections, recommendations. There was a core group of people who went through all of the hearings, and they were the ones who produced a report for CWM and that gave this kind of critical voice and also an independent voice. Some of those participants were members of CWM churches, but not all. And therefore that gave a kind of consistent perspective through the experience.”

Naomi: “Yeah, the hearings were quite painful. I read in one of your reports on this that some people were quite worried early on in the hearings process, that the hearings might just be talk without outcome. And I'm quoting from your report, the hearings might have had African and African descendant people reliving the traumas of racism without creating space for white people to address and own their part in racism and white privilege. Um, how did you collectively manage that?”

Peter: "I think we are still managing that. And we're still at risk of this. This is a critique that, you know, has to be levelled and remain with us and humble us and guide us properly in what we're doing and what's happening through the cultures that we've largely created. But because that's accompanied by people of African and African descent, it keeps a degree of honesty let's say, and we hope that will continue to play out. I think what's key to this, certainly for us as a mission organisation is how it reshapes our culture."

Naomi: "And with the hearings, I wonder if you can give me a sense of who you were speaking with in, for example, Ghana or Jamaica, and what sort of really stood out for you."

Peter: "So in each place, we, we tried to engage obviously with church communities, but we, we tried to involve and include activists and also academics, both so that we could name the history and the contemporary legacies reasonably accurately. There were young people engaged as well as older people, we tried to ensure gender balance. In each place we went to sacred places. So in London, we went to the West India docks. We went to Elmina the slave citadel on the coast in Ghana, we went to the Maroon village in Jamaica, and we went to the Baptist church in Birmingham, Alabama which was burned down by white racists, including the killing of four children coming out of Sunday school. So this also formed part of the excoriation that we went through together as human beings in that space. In Ghana, we met with one of the chiefs. We also met with African-Americans who had decided to return, repatriate to Africa to settle in Ghana and also came to share with us, invited us all into their place and shared their very real challenge and deep suspicion and hostility quite rightly, to white people present like myself, you know, giving the impression that, you know, we can be trusted and this work can be done honestly. But in all these ways, critical voices stood out and that pierced the lies let's say, but it also opened a way forward. And I think we're still trying to live that out but there are many moments of realisation and certainly for other white participants who went through, you know, I think a deep conversion experience really through the process hearing these realities, which they've either known but ignored or, or not allowed themselves to face. It was also painful in Africa to sit in the context of African people and African descendant people and to navigate the space around - because of poverty, because of the experience of economic injustice, still shaping and crippling and perverting our world and our lives, so, deeply painful moments to hear and try and process."

Priya: "You know, in the reparations movement, they talk about a process of kind of if it's for us, but not with us, it's not authentic. So I think that that has to be really remembered in this, it has to be a structured process within the context of international African social movements for reparations. And those links have to be continually sought out made and really explicit. You know, one of the problems more widely in international development is also that consultations are very narrowly conceived and place kind of the emphasis on communities coming in at designed moments that are carefully controlled. Reparations is something else, it's about really designing from the very get-go something that is, you know, community owned, community derived, community advocated for."

Naomi: "Right. Let's talk about the audit that you did. I know this process isn't all about money, but it is a really important part of it."

Peter: “We have reached a certain stage in this work by accepting the report, the findings, committing to the work and the board of directors has agreed to make 10 million pounds for reparation to work in different ways and we're working out strategies for that, so we're really only at the beginning of this work. We want to apply a theological principle sometimes called the Jubilee principle from Jewish faith and Christian faith perspectives that there needs to be a multiplier effect. So if we can point to a million pounds as it were, that we ought to increase that by at least seven fold. And the board took that view, but also extended it.”

Naomi: “And in terms of the fund itself, how is it going to be administered and how will it be accountable?”

Peter: “There'll be an independent board as it were that's created, the CWM legacies of slavery strategy board that will include some of CWM's people because we need to learn from this, but it will be independent and have a larger number of leaders from communities in the spaces we're trying to stand with, leaders because this is work being done by others who can keep us accountable, and intentional, and so it will oversee how the 10 million is divided in that respect, but also oversee how the work remains creative in our life. And that CWM can, um, learn from the insights and amplify the changes we're trying to make.”

Priya: “The discussions that have taken place have been very much in the context that this isn't just about monetary compensation you know, remembering that debt is not just monetary and reparational justice means a whole encompassing of principles that have been carved out by the reparations movement. Five principles of what reparations mean includes restitution, rehabilitation, satisfaction, and guarantees of non-repetition, and a relinquishment. In the case of restitution, I think it represents one of the most wide ranging reparations options because it can serve to facilitate the return of real and personal property to previous individual owners, um, provide stolen wages and lost profits to forced labourers and repatriate tribes and clans to ancestral lands. So when we talk about figures on reparations, I think it's really important to understand that compensation is not the only remedy and the nature of discussions actually can privilege compensation, but a big part of reparations is the process. And part of this is repair, and repair involves recognition - recognition that people exist, and people have their own ideas about the kind of changes that they want to see and how they want to bring them about, which is why the hearings and all of the engagement that Peter described as part of the CWM journey, which is really what would be the basis of a truth commission in the UK as well, why that's so important.”

Naomi: “Yeah. And going back just for a minute about how funds will be dispersed, how will decisions be made about this amount of money will be apportioned to this place, this organisation, this project?”

Peter: “The strategy that's being developed that will overarch all of that has been developed with a group of people connected to reparatory justice work from UK, and from Africa, from the Caribbean and from the US, and that group in that sense has been independent to CWM. And that strategy is now going to be presented to the board. The way that's set out is that the board would will the funds to be made available to this independent group, which

will, as we say, continue to have CWM presence in it so that we can be engaged in the learning from it. And so 3 million pounds is the figure that's been set aside out of that to enable reparatory renewal, reparatory return, reparatory redistribution, and that would enable impoverishment intervention in black communities, anti-racism work at community level, at international level, and enable the amplifying of black self-expression through education, the arts and through theology. These will be worked out within community, so communities will work to give the criteria and to give the shape to the work that's going to be done. So that would be in that sense a kind of figure that would be placed with partners who have credibility and a proven track record, let's say, in delivering in these areas. Our other commitments include the resourcing for racial justice work by member churches, that's true, but also by other partners engaged in the work and to make that available in the struggle, let's say, and the other 7 million pounds will enable work by communities, church projects, but also others, academic work to further racial justice work in particular struggles and contexts, and also to create a racial justice legal action fund. We are mindful that enslavement as a human rights violation has legal implications and the legacies of slavery continue to manifest themselves in issues like police violence, lack of access to justice and so on. And so another dimension of this is the creation of a fund that communities could call on either for legal support or indeed to get legal training, to become advocates themselves in this kind of area. So these two areas of the fund will basically work alongside our hope to be about generational and transformational change in grassroots spaces."

Naomi: "Right. You know, one place I'd really love to see engaging in reparative justice processes would be financial institutions in the City of London, you know, it would be great to see them look at and face their past. And their present actually. What would you say to them? I mean how do we approach this with supposedly hard-nosed business cultures?"

Peter: "For, for the financial sector, where do you think your money has come from? Where do you think this profit you're trying to maximise has come from? This has not fallen out of the sky any more than it has for us as a Christian organisation, this is not the blessing of God, this is the deliberate exploitation over generations of human beings. And so we'd need to ask them, what do you want to invest in? What does profit really mean? And how can our work lead to the flourishing of life and the flourishing of economies for all? So, for me, it is about acknowledging the past and the history of exploitation that our capitalist systems are particularly mired in. But it's also about reaching towards the vision and goals of what our shared human life can be like, especially when we bring economic justice and the potential of our economies to bear to the full. So it can be creative and newly creative, and it can bring new energy, it can bring new partners. So these are all part of the values I think we need to be called back to, and in some cases they're religious, but not at all exclusively."

Priya: "Yeah, you know, I think that any kind of process has to be in the public space. It has to be transparent. There has to be an accountability, even how the process is started and conceived of. This is not like corporate social responsibility. It's got to be really authentic. From the 1970s there have been different variations of truth commissions. And if you want a proper process, which has been called for in the UK for a long time now, there has to be a funding for a proper truth commission and revenue for that must be raised from a tax to

fund the participatory process ahead - an obvious tax would be the financial transactions tax because of the city's roots and present practice in trading on outcomes which impoverish people in low and middle income countries. We're seeing universities and firms looking at their history and that's really, really positive, really good, but institutions cannot police themselves in this work. If any process is to be true, and authentic, then it has to adhere to the principles of the reparations movement.”

Peter: “I don't think really the resources we can make available are going to change everything, but I think this is an investment in acts of defiance that could bring change. So I'm hoping, through the nine years of this work that this seeds of transformation, moments of uprising, acts of resistance, can be protected and nurtured and enabled so that we can change this system over this generation.”

Naomi: “You’ve been listening to the Taxcast. You can read more about the Council for World Mission slavery legacies process on their website www.cwmission.org We’ll check back in with them to see how it’s going. Thanks for listening. We’ll be back next month.”