

## The Taxcast, September 2022

Naomi: “Hello and welcome to the Taxcast, the Tax Justice Network podcast. We’re all about fixing our economies so they work for all of us. I’m your host, Naomi Fowler. You can find us on most podcast apps. Our website is [www.thetaxcast.com](http://www.thetaxcast.com) If you’re on twitter, we’re on @thetaxcast. And if you want to make sure you never miss a Taxcast, email me on [naomi@taxjustice.net](mailto:naomi@taxjustice.net) and I’ll put you on the subscriber’s list.

OK. On the Taxcast this month - racial injustice and how we end it. It’s not been central to tax and economic justice work and campaigning as it should have been. Especially in Europe. We’ve talked on the Taxcast before about the 4 Rs of tax, that tax isn’t just about the most well known R – Revenue. Because as well as raising revenue, tax has other Rs that are less well known but they’ll start making more sense as we hear why tax is a crucial tool for racial justice.

So, here’s the other Rs of tax – there’s Repricing – that’s essential in a world experiencing climate crisis, needing to limit carbon use. The next R of tax is Redistribution – fair taxes, so wealth is shared better. Then there’s Representation – which is all about how tax justice enhances democracy and accountability.

We could add a fifth R – Repair. And that’s something that reparational justice campaigners talk about – that’s about remedying the legacy of social and economic exclusion and ecological damage caused by exploitation, colonialism, patriarchy and structural racism.

There are more Rs actually that we could add to the list, including Reorganisation and Reclaim, all about building a caring economy that gives space for care and compensates those who care – but that’s for another day, that’s another podcast!

So, a couple of years ago now the Tax Justice Network and our sister organisation Tax Justice UK collaborated with Decolonising Economics. It’s an organisation dedicated to building a solidarity economy rooted in racial justice principles. They’ve launched a new report “Tax As A Tool For Racial Justice” this month. Here’s some quick highlights for you from the launch itself from panellists we invited to discuss it. Let’s start with Assistant Professor of Africana Studies Keston Perry:”

Keston: “To some degree I’m a bit sceptical about the idea of how do we decolonise the tax system - what does that mean for around sort of reforming aspects of the tax system which are actually rooted in enslavement, rooted in colonial subjugation? For me i think the report is really critical as the first of its kind I’ve seen, that is very much an important start for conversations around how the British empire and its legacies as well as the continuation of the fragmentation of that empire, what it means for trying to instigate action towards racial justice, and for me i think it highlights the ways in which tax and the financial system in general has been used as a tool for racial subjugation, extraction, continuation of racial disparities and hierarchies.”

Naomi: “That was Keston Perry. And here’s Stephanie Brobbey of the Good Ancestor Movement:”

Stephanie: “I was really excited to see this movement-centred research and really feel that it's a road map to racial wealth equity, about just how far tax should be used as a tool to repair structural inequities specifically in the context of racial justice and the racial wealth gap and really how to leverage tax as a tool for systemic change and not just in and of itself to fix, you know, short-term issues with the economy. You know, enslavement and colonisation literally built the wealth of nations and created the architecture of a financial system which naturally concentrates wealth in particular geographies and across specific demographics. We know that the Bank of England financed colonial expansion, that merchant banks provided commercial credit to expand colonial

activity but also to finance the buying and selling of slaves. And so we have this creation of a financial system which favours whiteness by default.”

Naomi: “That was Stephanie Brobbey, one of our panellists at the launch of the report Tax as a Tool for Racial Justice. And finally, here’s economist in economic development Priya Lukka:”

Priya: “For a whole body of thinking of this kind to be finally in the public space and for us to all be able to reference it and for it to hold weight and strengthen our arguments is so significant and i think it's really going to shape where we can go next from here. We know that people living in poverty are not beneficiaries of the tax system but they are instead net payers so groups who've had their power taken away from them by colonialism such as indigenous groups, afro-descendant people, people living in segregated urban areas and landless people all pay disproportionately more tax than they should so there are certain structural inequalities such as racial and gender inequality that are the legacy of colonialism and its mechanisms of which the tax system is one, as established by this report and that's really fundamental for it to be firmly established and argued and evidenced. And the uk has played a role in shaping not just the global tax system that stripped wealth from former colonised countries, but the whole financial system. Thank you for producing this work and I’m sure it’s going to lead to dialogue and more hopefully disrupt the current system.”

Naomi: “That was Priya Lukka. You can watch the whole session, the link is in the show notes, and I’ll put the link to the report in there too. So, we’re all hoping that this report Tax As A Tool For Racial Justice and the bringing together of people from so many different spheres will move us all together into the same space to take the next steps when it comes to campaigning and research. I spoke with Guppi Bola of Decolonising Economics, author of the report:”

Guppi: “We really saw it as an opportunity to finally put into place a map, I guess, of where some of that uncovering of evidence, as well as design and creation or creativity around new ideas and policies around tax and tax justice could exist. And I think I had an idea in my mind about this map for quite a long time, and it really felt like tax was a very useful place to focus on within the broader financial system and our thinking about the various financial instruments, because I guess of how quickly things in the tax world change, how easy it might be to implement policies, but also how transformative applying different taxes can be to the power across the economy. Um, I also think that there is a perception that tax is quite boring...”

Naomi: “Never!!”

Guppi: “Ha, never! But it’s, yeah, for me, it's just like another mechanism that can steer us towards where we want to go and so Decolonising Economics, I suppose maybe like every good initiative started out as a bit of a frustration about the way things were happening in, I suppose, what Noni my organising partner and I refer to as the mainstream economic justice movement or NGO sector. And we both came from community organising and activism, but also had professional lives within the sort of economic justice sector. There was a lack of depth in the analysis of what the root causes of inequalities were, largely stopping at the point of sort of 1930s neoliberal thinking and not going past that. And for us, there seemed to be a real evident connection between the history of the colonial era and the establishment of the capitalist economy and the inequalities that were in existence today, and kept getting worse over the last decade. And so our desire to sort of have that analysis in some of that work that we were doing in designing campaigns and thinking about what kind of projects we could do to do further research in this area, because as we sort of ran workshops and explored this and wrote articles, we realised that there was little evidence other than in quite dense academic texts and not enough that translated to strategy. But the other thing also driving us

was an understanding of the fact that the economic system can change, it can transform, it could really work for addressing racial inequalities.”

Naomi: “Right, so you've written this report, tax as a tool for racial justice, and what you say about the lack of work and attention on this area when it comes to racial justice and all sorts of campaigning and activism on economic justice, there's been such a, a gap there in the UK particularly if you compare with the United States. That's also something that's been happening in the tax profession itself, economists, the mainstream media and working as I do for NGOs I know that they've been really, really slow to put that into the centre of their work. Lack of diversity is a big part of it but it goes way, way beyond that, to the narratives, the dominant narratives in society and you know, you do tend to get different professions simply reflecting inequalities in the societies they operate in and not pushing beyond those boundaries. So, what I wanted to ask you really is, in a way you've answered it, but why this report now?”

Guppi: “The thing that I was really keen to do with this work is think about actually what tax justice and equity means in terms of accelerating a design of a financial system that actually works towards repair. So just like pushing the vision of what we're trying to do rather than, well let's just try and rebalance how much money goes into the financing of fossil fuel industries versus renewables, or, you know, rebalancing inheritance so that things are redistributed better, but really like pushing the boundaries of what we perceive as fitting within the tax system, which also includes, okay, well, how are we applying reparations in this context? And what, what does that mean? And what does it look like to both those who are residing in the UK, but also outside who are impacted by the actions of British colonies and colonial Britain. And I think that desire to, I guess, show something structured on paper as evidence that there is a way in which organisations can undertake bits of research and campaign design that doesn't feel too, sometimes can feel really overwhelming and complex. And there's layers and layers and layers of complexity still within the report, but at least it offers a bit of a framework to begin thinking about how you would structure different sectors within the economy, think about the types of questions you might ask around land or finance systems or inheritance and immigration, and how they intersect with racialisation and racial identities. And then also encourage people to think beyond just racism as a structural oppression but go beyond that to thinking about disability and trans and queerness and how those also intersect with this economy as well. So hopefully it's an opening for something much broader that works both at the depth of transforming the economy through taxation but also other forms of financial instruments that are in operation as well.”

Naomi: “For those who are listening who don't live in Britain, and even for those who do, can you talk a little bit about some of Britain's racial inequalities that exist today?”

Guppi: “Britain's an interesting place, because in my perspective, whilst a lot of the inequalities are quite overt and obvious, they are actually also quite hidden, so what is perceived as the norm actually has a hidden dynamic behind it that is not seen, so you don't really think about laws around policing, the housing market, immigration system. There is a deep racialisation within each of those systems that has a perception of fairness and objectivity, but definitely because of the roots of a lot of those structures in the colonial logic play out in ways that perpetuate racial inequalities. We do know that, of course, over the last 10 years inequalities have got much worse. One of the best reports to read and I reference it in the paper is the Colour of Money by Runnymede Trust, which looks at the wealth levels across different racialised identities. And it shows that for every pound of white British wealth in white British households, British Indians have 90p comparatively, and those who are worst off are often, uh, gypsy Roma, traveller, Bangladeshi, Pakistani, and black Caribbean, and black African.”

Naomi: “Yes, apparently families of Bangladeshi and Black African heritage in the UK have ten times less wealth than White British families. The UK’s Department of Work and Pensions has found that 60 percent of Black and Asian households have no savings *at all*, compared to 33 percent of white households. I mean there are historical reasons that are playing out right to the present day, going back centuries going on here, it’s something Britain’s really struggling with, and we hope this conversation is becoming safer to have for people who've been trying for a long time to have this conversation about Britain and how its systems have perpetuated racial inequalities coming from a violent and oppressive history that has real live repercussions to this day in the country itself but also overseas of course in terms of former colonies, and the role it plays in debt and other extractive processes, not to mention climate crisis that’s such a large part of the experience of some of those nations. There are so many things to talk about but Britain just hasn’t dealt with its history even remotely yet, has it, never mind its present?”

Guppi: “No, not at all. And there was a British attitude survey from 2020, so it's quite recent that said that still 60% of the British public feel that those countries that were colonised were left better off than if they weren't. And I still find that astounding, I think the only other country in Europe that has a better, you know, positive perception of their empire is the Netherlands, but most other European countries publics are broadly ambivalent about their empire or colonial past. And I'm not entirely sure that that is much better, I think that is another example of a hidden history, so we are having to contend with a perception of positivity. I'm very grateful to be able to have this conversation freely, but for sure there will be and will continue to be a real struggle in trying to find space to have a political conversation around the colonial history of Britain and its impacts and its relationships today. And that of course began more publicly during the Black Lives Matter mobilising and..the involvement of academic historians who became spokespeople for that relationship. But I do think that it now is the time for NGOs and campaigning organisations to begin thinking about solutions that embody that analysis. Because we have a responsibility in the process of designing transformative policies and campaign ideas to find ways to unite groups and I think there's a real opportunity for mobilising towards transformative policies that will work not just for racialised communities in the UK or globally, but for everyone who is feeling the pains of this economic system.”

Naomi: “Yeah, absolutely, the conversation is not free and open still in Britain. So, how would you describe this report?”

Guppi: “The report is sort of broken up into about four sections, I guess. And we begin with a glossary of terms, which we find useful to understand the information that you’re then going to read, to understand and situate the practices of British, colonial economic policies in today's context of racial inequalities and make that relationship about how you know, in the 1600s when Britain began exploring, and I say exploring it wasn't exploring was it?! Invading and capturing land! See, even I'm just like in that mindset over the way that we talk about it - capturing land and killing people, and how the design of different institutions like the Bank of England and insurance companies enabled that exploitation and extraction and how their existence today connects us to that globalised economy and the dynamics of that globalised economy, so a little bit of that history. And then we move into I guess the meat of it, which is where I talk about the different structures in which tax plays a role in both boosting wealth in whiteness, that there is a history of policies that maintain the strength of certain institutions that try to ensure wealth in whiteness, whether it's in white households or white dominant institutions. And when I say whiteness, I don't mean just like skin colour, I mean the concepts and ideas around the economic system. Or block wealth to black and people of colour communities. And so we look at things like immigration and land, housing and

many other structures, and how those dynamics play a part. And then the final bit explores the idea of what tax could be. And so how to think more intelligently about tax as a tool.”

Naomi: “Yeah. Right, and next steps, what do you want them to be? I mean, for me, I would want racial justice to be key to all social and economic justice campaigning and activism and research. I'm looking for practical policy that can be implemented, things like slavery and empire audits in particularly finance institutions, we've seen some institutions going that route, we need to see more, what what's next for you?”

Guppi: “Very similar to you, uh, Noni and I would just like some evidence, some numbers that we can use about how much wealth was extracted, you know, by certain institutions at certain times during the colonial era, how that has created their political power today and what influence those institutions have had on our modern economy and design of public policies today. I'm also really keen for some of the communities that we work with to have the space to actually dream and reimagine about reparations and tax and what that could look like and to feel ownership and agency around issues of tax so that they feel that they're able to give ideas that then are seen as legitimate and possible by the mainstream campaigning organisations and can be inbuilt into a long term strategy. And when I'm talking long term, I'm talking like 20 years, even if we're obviously battling with the kind of tax politics that we have at the moment with our current government. We need to be able to give some positive direction to where we can go. And if we're not laying vision, we're really just going in cycles of where the politics is taking us and not moving forward in our own imaginations. And, and for me, that feels really important at this point, because of just the sheer level of despair that everyone is feeling.”

Naomi: “Yeah. I mean we're at a stage of what feels like a real turning point in Britain actually. There's a transition going on of all different kinds in the UK. There's a sort of isolationist thing going on, some of the former colonies are probably finally about to make the break from the monarchy, there's some pretty toxic things going on with the government. If we talk about what campaigners and researchers should prioritise in terms of solutions, wealth taxes and inheritance taxes are really obvious, land value taxes, you know, financial transactions taxes, we've talked and thought a lot about a plan B for small island nations to diversify from oversized finance sectors that are really fuelling inequality there, as I've mentioned, you know, slavery and empire audits that lead to real meaningful reparational justice. You know, the tax justice network works a lot on trying to change who decides on global tax rules to take that power away from OECD former colonial nations and put us in the hands of the United Nations, we need debt relief, we need climate crisis reparations. And in fact, plundered nations are asking the United Nations right now for a global tax to pay for climate loss and damage. There's so much to work on, tax professionals - we need you! Where would you prioritise?”

Guppi: “I do think that there is traction, high levels of traction for climate reparations dialogue. Just thinking about just the sheer impact that is so evident on you know 2-300 years of just being under control by an economic system that has prevented countries that have been formerly colonised from being able to protect its own citizens. It feels very evident that that should be a place in which we should put all our efforts, just given the sheer scale of how destructive that history has been and is gonna continue to be, so protections in those areas are important. The other thing I think, beyond the public campaigning and influencing and advocacy work is feeling part of an organising space that is actually able to apply positive forms of tax that do instill repair. There is an emerging group of individuals who are privileged from the perspective of inheriting wealth and who recognise that inheritance is problematic and that them inheriting that wealth maintains a particular economic structure that perpetuates inequalities, and so there's a questioning around what to do with that

wealth and how to redistribute it. And there's also wealth advisors who are now advising out of investment in the stock market and finding ways to put wealth into community control. And I'm interested in philanthropic organisations who have control over their wealth to really think about where their endowments lay, where their investments are, what they're making their money out of. And everyone in the sort of NGO sector is part of that system, you know, we receive grants from philanthropic bodies and are in a way through that mechanism of need participating in an extractive economic system that is basically creating the problems that we're trying to solve. So where we have some relationship directly with institutions, I think that there is a role for us to play in advocating internally as well.

And some of the other things that I would prioritise is in the US there is a voluntary tax called the Shuumi land tax, which recognises existence on indigenous lands. And I'm interested in how we could think about what a voluntary tax in the UK could be that recognises how much the racialised communities have upheld the economic system in the UK, from the NHS to our care workers and cleaners, and that kind of hidden part of the economic system that basically holds us up, and how we could create a voluntary tax to reparate for that and help move people from a place of oppression and marginalisation towards feeling liberated. And I think just to end that in the eventuality of some form of collapse, we will need to begin developing that community infrastructure, not relying just on State infrastructure to be able to do that distribution. I think that that's hard work, but I think it's really, really important because some of the more resilient nations are those that have that kind of diversity of systems at play, and we definitely don't have that so much here in the UK."

Naomi: "No, we don't, and it's often presented in a kind of a binary - either the State takes control of everything or you leave it to the markets, and that is a real problem and paucity of vision that we have in Britain for sure. And I mean it does seem like we are in a kind of capitalist death spiral at the moment, you know, nothing must interfere with the God-given right to make as much money as possible, no matter who you hurt, no matter what the cost, no matter what the damage is to people, to the planet, to biodiversity. But transition is happening already in many nations, it's happening in the UK, we've just had the hottest summer on record. Whether we like it or not, we are in a transition era of all types. You've talked a bit about reimagining the commons and thinking differently about the nature of ownership and stewardship actually so that humanity can be compatible with the natural world instead of destroying everything that our lives actually depend on. So, it's about visionary thinking because without it, it feels like we are really doomed!"

Guppi: "Well, you know, I had in the last 15 years of doing economic justice work to really dig deeper into the existence of other forms of economic practices, which is ultimately, you know, our relationship and management of resources and pulling in wisdoms of indigenous communities that are deeply connected with nature and nature's resources, and communities as beings as kind of interdependence that we have with one another. And I do think that it is very challenging to look at politics today or look at people's day to day and try to apply those practices, and imagine that those practices could be policy, but I do believe that it's possible and I keep going back to this concept of community self-determination and organising."

Naomi: "You've been listening to Guppi Bola of Decolonising Economics. And I'll leave you with a pretty brutal example of how markets are perpetuating injustices, and profiting off misery. It's not hard to see that it's immoral. But also that it's a continuation of a long history of subjugation, and that we can't go on like this. After covid struck not so long ago, Zambia defaulted on its sovereign debt. Zambia's been asking its creditors, including asset managers BlackRock to restructure the debt

repayments they owe them. Even by IMF measures Zambia's debt's not sustainable. Here's Stephanie Brobbey of the Good Ancestor Movement:"

Stephanie: "Blackrock holds about 220 million dollars worth of Zambian sovereign bonds and stands to generate in excess of 180 million dollars for its clients if those debts are paid in full, and Zambia has incurred crippling debt in order to try and build its infrastructure to protect its people from the climate emergency. And this is a classic example of how debt is preventing lower income, typically black and global majority countries from protecting themselves against the worst effects of climate change and this is a kind of double injustice the original extraction from colonial activity and enslavement, to kind of suffering from the emissions that have been caused by countries in the global North who are then continuing to extract from them and to amass wealth through their misfortunes and they are refusing to suspend interest payments, so that demonstrates the harm that is inflicted on black and global majority communities in this way which is rewarded in monetary terms. It really taps into the psyche of actually what we're dealing with, wealth has been, and continues to be divided along racial lines."

Naomi: "Stephanie Brobbey there. I'd add that Blackrock has clashed over the years with various tax authorities over its tax contributions, including in the UK. There's so much reform and rethinking to be done. And *all* our lives depend on it. You've been listening to the Taxcast. We'll be back with you next month, talking about tax justice and the right to education. It's lifechanging. Bye for now."