



The Robin Hood Tax – turning a crisis for the banks into an opportunity for the world

A Robin Hood Tax on banks' financial transactions could raise hundreds of billions of pounds to fight poverty, protect public services and tackle climate change, according to a campaign launched today (Wednesday) by an unprecedented coalition of domestic charities, aid agencies, unions, faith organisations and green groups.

The campaign is calling on the leaders of the UK's political parties to support a global tax on the banks to help repair the human damage caused by the global economic crisis, protect public services at home, fight poverty abroad and help foot the bill for climate change.

The campaign, supported by almost 50 organisations including Oxfam, the TUC, Barnardo's, The Salvation Army, ActionAid and Save the Children, is launched with a promotional film starring Bill Nighy, and written and directed by Richard Curtis (*Four Weddings and a Funeral*, *Comic Relief*). It is backed by regional events, advertising and online promotions challenging politicians, banks and the public to *Be Part of the World's Greatest Bank Job*.

The Robin Hood Tax is backed by financiers and hundreds of economists who have signed a letter supporting the campaign.

Alastair Constance, City trader and founder of Ethical Currency, which already levies a voluntary rate of 0.05 per cent on all currency transactions, said: "Billions of pounds whizz round the global financial system every day. A tiny tax on each transaction is absolutely practical and will hardly be noticed by those paying it. But it could still raise billions to help make the world a better place."

The Robin Hood Tax would not be levied on banks' transactions with their high street customers, but only apply to transactions between financial institutions. While different rates of tax would apply to different types of transaction, they would start at just five pence for every thousand pounds traded – an average of 0.05 per cent.

But even such tiny taxes would raise hundreds of billions of dollars a year given the scale of transactions – equivalent to \$10,000 a day for every one of the 1.2 billion inhabitants of the world's 30 richest countries in the OECD. Experts have estimated an international transaction tax system could eventually raise as much as £250bn (\$400bn) every year.

While an internationally agreed tax system is the best way to proceed, the UK Government and European Union should start extending transaction taxes already in existence, such as the UK's 0.5 per cent stamp duty on shares, the campaign says.

This would both raise much needed money and encourage other countries to adopt the proposal, with modern foreign exchange markets an attractive and easy target for a unilateral tax on sterling and Euro transactions.

The market for financial transactions has exploded in the last decade, and is now worth 60 times global GDP. Before the financial crisis banking was the most profitable industry in the world, with profits five times that of the pharmaceutical industry, and three times bigger than the privatised utilities, according to consultants McKinsey & Company. At the same time the financial sector is not taxed as much as other sectors.

The campaign is calling for countries which levy the tax to keep half the proceeds domestically and for the rest to be split 50-50 between poverty reduction and tackling climate change. The UK's share of the tax would amount to tens of billions of pounds.

Money raised by a Robin Hood Tax could be used avoid cuts to vital public services and for a range of good causes including:

- Meeting the Government's target to halve child poverty (£4bn)
- Ending the benefit trap that makes it too expensive for people to leave welfare and return to work (£2.7bn)
- Protecting schools and hospitals at home and abroad under threat of cuts
- Meeting the Millennium Development Goals to cut child deaths by two-thirds, maternal mortality by two-thirds and tackle malaria and HIV/AIDS, and
- Providing resources to enable a deal to be done on tackling climate change.

The UK campaign is part of an international movement with similar calls being made in the USA, Europe and across the developing world. Gordon Brown, Angela Merkel, Nicolas Sarkozy, Nancy Pelosi, Jose Manuel Barroso, Meles Zenawi (Ethiopia) have all spoken out in recent months in support of some form of transaction tax.

Financial figures who have backed transaction taxes include Lord Turner (FSA), George Soros, Warren Buffet, Avinash Persaud (chairman of Intelligence Capital), Sir Philip Hampton, (RBS chairman) and Terry Smith (chief executive of money brokers Tullett Prebon).

Polling carried out by YouGov for Oxfam shows there is already significant public support for a Robin Hood Tax, with almost twice as many people in favour of the policy as oppose it. It is also the public's favoured option for reducing the UK's deficit – well ahead of reducing public spending or raising income tax, VAT or corporation tax. Faced with a 12 per cent deficit, the next government will be facing a stark choice – raising other taxes such as income tax or VAT,

cutting services, or taxing the banks. The campaign believes that the Robin Hood Tax is the right idea at the right time.

In a letter to the leaders of the UK's political parties, the campaign says: "You could ignore the big problems facing the world, and accept that climate change will stay unchecked, and that the poorest people at home and abroad will have a very hard time of it over the next decade. Or you can find all the money needed by directly taxing the British public themselves.

"Or you can work to find an innovative, modern, regular way of accumulating a fund of money to deal with big issues boldly. We would ask you seriously to consider the Robin Hood Tax as that radical new option – a small tax on bankers that would make a huge difference to the UK, to the poorest countries and to our planet. Let's turn the crisis for the banks into an opportunity for Britain and the world."

Barbara Stocking Oxfam Chief Executive, said: "We have a once in a generation opportunity to make global finance work in the interests of ordinary people at home and abroad. A tiny tax on banks would make a massive difference to the millions of ordinary people around the globe forced into extreme poverty by the economic crisis."

Brendan Barber TUC General Secretary said: "The crash was made in the finance sector – finance should now make a proper contribution to putting right the damage the crash caused and preventing huge cuts in vital public services."

Claire Melamed Head of Policy at ActionAid said: "We now have a chance to raise enough money to create real and lasting change. If politicians are brave enough we could turn a financial crisis into an opportunity for the world's poor by raising billions from the banks to spend at home and abroad."

Further information:

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Notes to editors:

You can follow the Robin Hood Tax campaign on our website www.robinhoodtax.org.uk
Or on Twitter @robinhood

Media materials – including a release about the film and campaign creatives, a technical briefing and supportive quotes from the coalition will be available from Tuesday morning at:

<http://www.robinhoodtax.org.uk/media>

username: media

password: makemerry

The following **48 organisations** are supporting the Robin Hood Tax Campaign:

ActionAid, Action for Global Health (UK), ACTSA (Action on Southern Africa), Africa Europe Faith Justice Network – UK, Article 12 in Scotland, ATD Fourth World, Barnardo's, Cafod, Centre for Alternative Technology, Chigwell Justice and Peace Centre, Christian Aid, Christian Medical Fellowship, Christian Socialist Movement, Church Action on Poverty, Church of Scotland Church and Society Council, Commonwealth HIV & AIDS Action Group, Forum for Stable Currencies, General Assembly of Unitarian and Free Christian Churches, Health Unlimited, Housing Justice, Interact Worldwide, International HIV/AIDS Alliance, National Justice and Peace Network, National Union of Teachers, NCVO, nef (the new economics foundation), Oxfam GB, ONE, People and Planet, Plan UK, Results UK, The Salvation Army, Save the Children UK, Stamp Out Poverty, Stop AIDS Campaign, Student Partnerships Worldwide, TB Alert, Tearfund, Trades Union Congress, UNA-UK, Unicef UK, Unite, University and College Union, Urban Forum, War on Want, World Development Movement, World Wide Robin Hood Society, Zacchaeus 2000 Trust.

The **YouGov poll for Oxfam** was undertaken between 13 to 16 November 2009. Total sample size was 2070 adults. The poll found that almost twice as many people would support (53 per cent) than oppose (28 per cent) a financial transaction tax on the basis that some of the money raised would be used to help people hit by the economic crisis in the UK and abroad.

More than a third (36 per cent) said a tax on banks was their preferred option for cutting the UK's deficit. This compared to 26 per cent who opted for cutting public spending. It was four times the 9% who supported increased tax on businesses; five times the 7 per cent who wanted income tax raised; and nine times the 4 per cent who favoured increasing Value Added Tax (VAT).