

## PANAMA PAPERS: A NEW OPPORTUNITY TO END THE INEQUALITY CRISIS?

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In 1914 when the Panama Canal opened, the new time saving route from the Atlantic to the Pacific Oceans provided new opportunities for businessmen to profit and get rich. In 2016, the release of the Panama papers has revealed the tax saving route used by the rich and powerful to hide their wealth and avoid paying a fair share of tax.

The Panama papers have laid bare what so many in the world already knew: there is one law for the rich and one for the rest of us. It has shown how greed transcends race, political convictions (capitalists and communists alike have been hiding their wealth) and nationality. The Prime Minister of Iceland was the first to pay for his dishonesty while David Cameron, PM of the UK has undoubtedly been tarnished. Of course, many others often with very shady connections in countries like Syria and Russia have used these arrangements to avoid sanctions and secure their fortunes away from scrutiny.



### *Two issues*

Let me draw your attention to two issues. Firstly, as the media has readily pointed out, establishing companies offshore and moving funds around internationally is not illegal. What is not right, is that the rich and powerful, including the many politicians who benefited, are the ones who have influenced or made these laws. It is not surprising if many in the community take the view that the laws have been crafted in a self-serving manner. Their actions undermine respect for the rule of law and this affects all.

Secondly, the Canberra Times observed: "That so many public-office holders have been implicated in the Panama Papers - at a time of growing income inequality and stagnant or declining government service standards - is certain to exacerbate the populist anger that's currently being manifested towards the political elites, particularly in the US and Europe."

### *The 1% economy*

Earlier this year, OXFAM published a report on 'the economy for the 1%'. It stated that the richest 1% now have more wealth than the rest of the world combined. The global network of tax havens enabled the richest individuals to hide \$7.6 Trillion. The wealth of the richest 62

people rose by 45% in five years since 2010. Meanwhile over the same period, the wealth of the bottom half of the world's population fell by just over half a trillion dollars – a drop of 38%. As the OXFAM report concluded, we are facing an “inequality crisis that is out of control”.

For Jesus the choice is clear “You cannot serve God and Mammon”. (Luke16:13). But us Christians the challenge is how to witness to God's promise of ‘to make all things new’ (Rev21:5). Pope Francis has called for a ‘moral economy’; a call taken up by Presidential hopeful Bernie Sanders. World Council of Churches General Secretary Rev. Dr Olav Fykse Tveit expressed support for the people of Iceland and commended their “demand for trustworthiness, transparency, and accountability in government and who are reminding government leaders that they should always bear in mind the interests of people who struggle to make a living for themselves and their families,”

### ***End the era of tax havens***

The OXFAM paper concluded “We have the chance to build a more human economy, where the interests of the majority are put first”. Mahatma Gandhi summed up the problem best when he said “There is enough for everyone's need, but not enough for everyone's greed”. If we hope to see an end to the inequality crisis, we must demand that world leaders end the era of tax havens once and for all.

By **Russell Rollason**