

THE BISHOP OF ST ALBANS' PRESIDENTIAL ADDRESS
DIOCESAN SYNOD
JUNE 2013

Last Sunday we held a service in St Albans Abbey to celebrate the sixty year reign of Her Majesty Queen Elizabeth II. The world of 1953 was very different from the world of today. 'The Dunkirk spirit' which had been so strong during the war had drawn people together in their adversity and suffering. Everyone had to contribute to the massive challenge to rebuild the country's infrastructure. Rationing was to continue for another year after the coronation. People felt that were suffering together but also working together for a better world. It was, incidentally, the only decade in the 20th century when church attendances grew consistently and significantly.

Many people look back to that period with nostalgia and remember it as a time when there was a much greater sense of community and social cohesion. Of course, there is probably a bit of rose tinted spectacles in these memories, and I imagine that not many of us would want to return to live in the 1950s. Indeed, I am glad that many aspects of life have changed since that period. Nevertheless, the memories of living in a time when there were stronger social ties and a greater sense of belonging and community is a powerful one.

In the sixty years since the coronation Britain has become immeasurable wealthier. Compared with our grandparents virtually everybody in our country is much better off materially. Yet, surveys reveal that despite such increases in wealth and prosperity, level of happiness and wellbeing are not that high in Britain and that we lag behind many other nations. Significantly, research shows that societies with the smallest disparities between the richest and poorest groups in society are those which have the highest levels of happiness. So it is worrying that not only has the gap between the richest and the poorest in Britain increased, but that the gap continues to get wider.¹

At the same time as the gap between rich and poor is increasing, we are also witnessing the growth in a worrying blame game. Simplistic narratives about 'greedy bankers' (of which there are undoubtedly some), self-serving politicians (of which there are undoubtedly some) and 'welfare spongers' (of which there are also undoubtedly some) generate cynicism, fuel suspicion and divide communities. It is comforting when we can project blame on to someone else! But ultimately it is an infantile way to react and it does nothing to solve the problems facing us and instead leaves us wallowing in victim mode.

Much of this has come to the fore recently with the widespread debates about some large multinational corporations (such as Amazon, Starbucks and Vodafone) who are paying little or no tax in the UK and the debates on Welfare Reforms.

So what about corporate tax? Some multinational companies (correctly) argue that the law allows them to move money from country to country to minimise their tax.

¹ I am well aware that there are a small number of economists who argue that the gap between rich and poor in Britain is not increasing. See, for example, <http://www.independent.co.uk/voices/comment/so-you-think-the-wealth-gap-is-growing-wrong-8431460.html>. However, it all depends on what you measure and the time frames that you choose.

They make the distinction between tax evasion (which is illegal) and tax avoidance (which is not). This is extremely complex because multinational corporations by their very nature operate under many different legal and fiscal systems. No one, I think, has argued that these companies are breaking the law. What is up for debate is the moral basis of these laws and whether they are fit for purpose today in the global market.

What we cannot do is to kid ourselves that either the markets or the law are based on a set of morally neutral assumptions which are valueless free. They inherently embody a range of values and are the product of a long and complex history which has resulted in what we have today. Both law and the markets are social constructs which have changed over time and which will change again in the future. If societies have the will they can change the law and the assumptions on which the market operates.

Starbucks is an interesting case. The company had paid no corporation tax since 2009 and argued that this was because they were losing money in the UK. Yet it turns out that the section of the firm based in Switzerland which provides the coffee adds a 20% premium to the beans it provides for its UK shops. Another section of the firm which is based in the Netherlands charges Starbucks UK for using the brand name.² All perfectly legal – but is it moral? Are Starbucks really so magnanimous that they continue to subsidise all their UK shops from their international business because they love to provide the British with coffee? If they are really incapable of earning profits in the UK why don't they withdraw and leave it to their competitors who are clearly more successful? Furthermore if they are losing money in the UK why did they reward the UK boss by promoting him to a more senior post in America?³

Yet strangely as recently as the end of 2011 Starbucks announced that they were going to open 200 more shops in the UK, which seems a strange decision for a loss making business.

It is because of the lack of international agreement on tax and accounting that Christian Aid has recently launched its campaign *Tax Justice*⁴ arguing for greater financial transparency. I commend the campaign to you.

I am aware by this stage that some of you may wonder why am I speaking about money, tax and corporate responsibility at a Diocesan Synod when I should be dealing with spiritual matters? Well, even the most cursory reading of the New Testament reveals that Jesus and his followers addressed the subject of money with great regularity because it reveals the practical outworking of how we love God and our neighbour. It is also because (as Christian Aid has pointed out) poorer countries could be deprived by as much as US\$160 billion through tax 'dodges'. If something could be sorted out that was fairer, there would be little need for any Western countries to give Aid to the developing world.

² See <http://www.bbc.co.uk/news/magazine-20560359>

³ See <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmpublic/716/121112.htm>

⁴ See the current Christian Aid campaign <http://www.christianaid.org.uk/ActNow/trace-the-tax/>

Now, to welfare reforms. I think most people agree that with the soaring increases in costs of welfare the current system is unsustainable in the long run. There is no doubt that reform is needed. It is clear that there are some people who have abused the welfare system – but then there are people in every section of society who abuse various systems to their personal advantage and deny that they have any moral obligation to others.

Now, the debates over Welfare raise important and focused questions about how we organize our national life and build flourishing communities. They also raise questions about how a civilised society shares its wealth and how it protects the weakest and most vulnerable. As all of us participate in these debates, whether in some formal setting or simply over the garden fence with our neighbour or in the pub, I want to mention two areas of particular concern:

1. How do we ensure that some parts of the country do not become ghettos (I use this word deliberately and provocatively) inhabited exclusively by the wealthy? The changes in Income Tax, National Insurance, Tax Credits, Council Tax and Child Benefits are likely to make some parts of our country no-go zones for teachers, nurses and manual workers, who will have to commute increasingly long distances, creating additional congestion and pollution. This is a problem particularly affecting cities such as London and counties such as Hertfordshire.

2. How do we protect the most vulnerable people in our society? One of the aspects of the reforms which is causing most concern is about Disability Benefits. I have received a number of letters and representations from people who are deeply threatened and profoundly worried.

There are around 1.5 million people on incapacity benefits who are being reassessed for what is called Employment Support Allowance. Even before the assessments have been made, it has been claimed that around 25% of these people will be fit for some sort of work and it is thought that about 30% of these will be taken off benefits. That sounds very good. However, there is concern about the medical assessments. Around 40% of the decisions are being disputed and of these 38% of the decisions are being overturned. You can imagine the panic and anxiety that such assessments give to people who are already suffering from low esteem and self-worth because they are trapped at home and unable to lead a normal life.

As a national church we have a challenge and an opportunity to engage in all these matters. We are fortunate that the Church Urban Fund produces excellent briefing material and suggestions about how each church can mark *Poverty Sunday* (see www.cuf.org.uk/poverty-sunday).⁵ I hope that we will grasp the opportunities to debate these issues and also work out what we can about them as we seek to *transform communities* together in the name of Jesus Christ. This way we will be building on the sixty years since the coronation and laying firm foundations for the coming sixty years.

†Alan St Albans
8 June 2013

⁵ *Poverty Sunday* is being observed on 23rd June. However, a local church can use the material on any Sunday.