

We want our

# Island Back



Newsletter

January 2006

## Letter from the Editor

"First they came for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew.

Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up."

Many of us may already be familiar with this little poem. The author was Martin Niemöller, a German pastor imprisoned by Hitler from 1937 to 1945.

As far as he was concerned there could be no adequate excuse for standing by and doing nothing while others suffered.

Why am I quoting this now at the beginning of 2006? It's because I believe that right now we need to learn lessons from history.

So, what about this. Does it ring any bells for you?

"I see young families every week leaving by the boatload but I don't say anything because I don't have a young family.

I see pensioners who grew up proud of their beautiful Island, now struggling to make ends meet and feeling the shame of what their Island

has become. But I'd rather not speak up because I'm not a pensioner.

I see small businesses who make you feel welcome and valued, priced out of the market by faceless giants. But who am I to get involved because I don't have a small business.

I see many young people asking themselves - What choice of employment do I have? How can I ever afford a place of my own? What future for me here? But I'm not a young person so it's not my concern.

I see farmers giving up their beautiful fertile land, exporting their pedigree cows, not even being able to sell their "wrong size" "wrong shape" potatoes to the supermarkets. But I'm not a farmer so what can I do?

I see hoteliers with too few visitors and landing fees too high, forced to close their doors for the last time and take whatever price they are offered. But I'm not a hotelier so I don't say anything. I just watch.

And when it happens to me, which it will, will anyone be left to speak up for me?"

*Pat Lucas*

## **Double Standards**

Having just read the Scrutiny Report into the Provision of Legal Advice to Scrutiny Panels I feel obliged to make several comments.

On page 17, section 5.2 of said report, comment is made by the Attorney General. “The Attorney General told the Panel that there was an important public interest reason for maintaining confidentiality for legal advice. He explained that, if the panels were allowed direct access to the legal advice which had been given to a Committee/Minister, they would have insight directly into the thinking behind the policies, and would be able at once to target areas of weakness.”

The Concise Oxford Dictionary states that Scrutiny is critical observation or examination. Frances Taylor head of Scrutiny for Cumbria County Council on a recent visit to Jersey, to talk to those involved in the Scrutiny process said that “scrutiny was to make the work of the government as transparent as possible” and that “Scrutiny champions the people”.

As a social scientist, I would argue that Scrutiny is about the analysis of policy or proposed policy, social, economic or political. The formulation of efficient, effective and economic policies can only happen when all parties involved are sharing the same information and scrutinized by its peers. As we have

seen above the Attorney General seems reluctant to share formation that he had given to Committees/Ministers with Scrutiny Panels.

However, on page 18, section 5.4 of said report and after having given verbal and written advice to the Waste Management Scrutiny Panel the Attorney General seemed to have no problem of forwarding the same information onto the Environment and Public Services Committee. The Attorney General stated that he had done this “to avoid a situation whereby the Executive might be taken by surprise by the legal advice given to Scrutiny.

Is this an example of the double standards we can expect under Ministerial Government by an unelected member of the States Assembly?

*Chris Steel Dip SP&C, Cert SocSci (Open)  
Treasurer Attac Jersey.*

This newsletter is produced by Attac Jersey which is a member of the international Tax Justice Network.

**[www.taxjustice.net](http://www.taxjustice.net)**

Want to know more?

Come to our next meeting. Thursday March 9th,  
7.30pm at St Thomas' Church Hall  
(to the left of the Church), Val Plaisant

Phone Pat Lucas on 768980

or e-mail [jeanandersson42@hotmail.com](mailto:jeanandersson42@hotmail.com)

For more information go to [www.jersey.attac.org](http://www.jersey.attac.org)

# Time to catch up Jersey!

The New Year will begin with taxes, the threat of GST and an ever escalating cost of living.

Jersey sees fit to ignore the internationally agreed rights of the International Labour Organisation which gives workers the right to strike and to attend rallies called by unions acting against social hardship.

Our government has got round that one with the Code of Practice which states that workers will have to have permission from their employers to attend or they will be in breach of contract of employment for which they could be disciplined. This could result in losing their jobs.

We now have in our Ministerial Government line up the same people who passed this law.

So much for the right to strike.

- (1) The right to organisation
- (2) Recognition
- (3) Representation

Every worker in this Island needs more than ever to join a union now if they want some kind of protection.

Where is the Equal Pay Commission? or the Equal Opportunities Commission? Where indeed?

What discrimination legislation do we have in place here?

The Independent newspaper (29 Dec 2005) reported that the gender gap is widening. 42% of women, many

of whom are in part-time work, earn less than their male counterparts doing similar jobs in the UK. In the Construction Industry 10% of the workforce are women compared to 9% a decade ago – that is in the UK. Do we know how many women in Jersey are in the Construction Industry? In engineering women in the UK make up 18% of the workforce compared to 7% in 1984.

How many women lose their jobs in Jersey through being pregnant? As Jersey has no legislation on Maternity leave it's hard to find out how many have lost their jobs through pregnancy. The UK has equality representatives to ensure fair play. This goes some way towards maintaining a happy workforce.

Legislation is also provided for regarding Health and Safety representatives in the UK. Isn't it time Jersey caught up with the rest of Europe or at least the UK?

Only this week, a few months from the Employment Law being passed, the Jersey minimum wage is being increased to £5.24. Big deal! Who can possibly be expected to live on that kind of pay in one of the most expensive Islands on the planet! What we seem to have here are laws designed by employers for employers. Some employers are fair, recognise the union and see its benefits in helping to make a happy work force. Such a work force is a productive one. Surely this must be what everyone wants? Employees need to be ensured that their jobs are safe for

employers to see their businesses grow.

How many women on the Island suffer in silence from sexual harassment? Men too often suffer just as much and will continue to do so for as long as there is no legislation on discrimination. However, as a member of a union there is some protection if the union is recognized in the work place. If our government is serious about changing its ways and working for the people then it must stop the anti-union laws and replace them with laws which look after the very people who elected them into power. They must learn to listen.

The Union was formed in the 1900's for the very reasons we are seeing today. Union Leaders are trained to a high standard and work without pay for the benefit of all workers to ensure fairness, equality and the rights of workers which are striven for globally. Union stewards are well researched in all areas of life in the work place and the community.

*Rose Pestana*

## **A review of the Budget 2006**

I have rarely seen a document so self-contradictory; to herald this as the sign of a great success on behalf of the Finance Minister would be regrettable.

Firstly, it clearly states that the agreed limit for growth in States expenditure is 2.5% annually, then

goes on to explain that it breaks this self-imposed limit, in the first period to which it applies, by growing at 2.7%. The budget claims to represent a decrease in real terms in States expenditure and yet the rate of inflation is clearly stated as 1.9%. It may just be me but if inflation is 1.9% then expenditure would have to grow by less than 1.9% to represent a decrease in real terms.

Dig a little deeper and one discovers that revenue expenditure actually increases at double the rate of inflation. Capital expenditure, also known as investment in the infrastructure of Jersey, is being delayed so that total expenditure can rise at just 2.5% per year. This is a statistical rug under which to sweep the Finance Minister's continuing failure to control expenditure growth. This is very short-sighted. Revenue expenditure is recurring whilst capital expenditure is a one off affair. We are merely storing up financial difficulties for the future in the uncertain hope that things will improve.

It is already clear that revenue expenditure growth will exceed the 2.5% a year growth over the next three years. One can only question which of the capital projects will be shelved to allow Senator Le Sueur to achieve his targets and how will we pay for a salary rise to compensate States Employees for the effect of GST in 2008?

I am sure Senator Le Sueur is grateful that his

contract runs for six years; at 69 he will likely not seek re-election in 2011. In 2010 the interim period will expire and the EU will deliver its verdict on the tax package.

At 66, he will obviously be too old to be Chief Minister in 2008. However, there are a number of Deputies and Senators who must be considering what effect this will have on their election. Indeed it would appear that the campaigning will once again be on the same issues.

Phil Ozouf, Jr, according to the report in the JEP on the 14<sup>th</sup> December, has staked his political future on ensuring an annual 2% growth in the Jersey economy. Given that even the UK accountancy profession has declared Jersey's finance industry past its peak and likely to come under increasing pressure as the line between tax avoidance and evasion becomes increasingly blurred (Accountancy Age, Nov 2005), I am inclined to describe this move as 'courageous'.

Given the prevailing economic realities, Jersey's trust business being bought up by a corporation which can overnight move to the Caribbean and away from the EU, and new players such as Dubai entering the global finance industry, should he succeed, by means other than the manipulation of statistics, then he will no doubt deserve my vote in 2008.

However, when the best that the States Economic Adviser can say is that the economy didn't decline as much in 2005 as it did in 2004, one must wonder what possessed him to take such a gamble with his future. However, I, and I hope others, will base my vote for or against him in 2008 solely on his self-selected criteria.

Even providing both finance and economic development targets are met, which I will be equally delighted and surprised to see, there remains a gap between the growth in tax receipts and the growth in public expenditure of 0.5%, which equates to roughly £2 million per year. GST is already paying for the changes which are necessitated by the EU so how is this annual shortfall to be met? Just how long can we maintain the still too high, in the current economic circumstances, rate of expenditure growth and maintain a 3% GST rate, or is there a new 'stealth tax' waiting in the wings?

The standard of living in Jersey is dangerously close to falling below that of the UK. People my age are still young enough, but if too many leave, who will pay for the pensions, health care and civil servants? Will Jersey start mortgaging its future even further with borrowing?

*Darius Pearce*

# AccountancyAge



Top 50: the ones to watch

AccountancyAge.com, 05 Jan 2006

As the year begins with the profession facing up to new challenges and old foes, Accountancy Age reveals the 50 most influential names to look out for, from fresh faces at the top and would-be Olympians to government ministers

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## **42. RICHARD MURPHY**

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Director of Tax Research Ltd

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The research muscle behind the Tax Justice Network, the anti-avoidance campaigning group, Murphy is a thorn in the side of senior advisers who try and insist that this avoidance stuff doesn't really matter and well, it's a legal issue anyway. Murphy, who trained at KPMG, will promote this issue further in 2006.