

Attac & TJN - January 2007

# ***Ministers want more money !***

*Wouldn't we all like some more ?*

Our dear Ministers now want an increase in pay when we have been told over the last year or so that we must tighten our belts. Well, if we have to tighten our belts then so should the Ministers and maybe they should learn a simple lesson to lead by example. Electricity is going up and manual workers are being offered 2.4% and all the while we are being told there is no more money in the pot. If that is the case then where would their pay rise come from as I am sure it would not be 2.4%?. We live in the real world Ministers perhaps you should too.

## **Income Support Scheme**

Jersey's forthcoming Income Support Scheme, at face value is nothing more than a lack of responsibility by our government to protect some of our most vulnerable people, like pensioners, single parents and their children, the disabled and long term ill. Our government has decided to enact the Income Support Scheme without an increase in budget. Therefore, some people will receive an increase in benefits but only at a cost to others who will witness a decrease in their benefits. Jersey has the lowest contribution for social protection as a percentage of Gross National Income in Europe at 12.3%, the European average being 27.5%. Luxembourg, which has a similar economic base to ours, spends 21.2%. This is part of our government's money saving scheme, so that they can part fill the black hole created by the move to zero rating corporate tax. The Income Support Scheme will expand and entrench the level of relative poverty in Jersey, whilst the multinational companies registered in Jersey pay no tax and therefore make higher profits.

## **Minimum wage**

Jersey has gone down the route of the minimum wage which keeps people in the poverty trap. At present it is set at £5.25p which works out at £210 per week. This is below the poverty line drawn up by the EU as being half the average wage of the country you live in.

The Jersey average wage is £28,000 per year which many workers do not earn, even in the finance industry. When you come to benefits a carer is paid to look after a disabled person for 35 hours per week and for this the carer is given an allowance of £685.00 per month. The carer's annual pay is £8,900 which again is below the minimum wage. How on earth are people expected to pay for dental treatment? Only this week a lone parent went for emergency treatment and now faces a bill of £1,800. Where is the help for this lady? The answer is there is none.

Bearing in mind this is an Island which boasts of billions in its bank accounts where is the help for the low paid workers? I was told this week that as part of Income Support there will be a one off payment for dental work or a washing machine. Yes, a one off payment so please get the treatment done in one go! Madness.

### **Winter Fuel Allowance**

Why has this taken so long and how dare the Ministers try to claim an increase before they have got their own house in order. Electricity has now increased by 20% and the pensioners are still awaiting their benefit. Thankfully we have not yet had a very cold winter which I am sure is much to the relief of the Ministers otherwise people I am sure would be shouting by now.

### **Goods and Services Tax**

Jersey's GST is deeply regressive. I proved this for Shadow Scrutiny last year. And Senator Syvret is right about likely future rates of GST. The black hole will, in my estimate, be at least £118 million, not the £80 million Senator Le Sueur puts forward on the basis of unpublished calculations. Based on Crown Agents data GST at 3% is unlikely to raise much more than £30 million. There are no signs of government savings. With £88 million to find it is almost certain that a GST rate in excess of 10% will follow, in which case the burden on consumers will be crippling, and the undoubted regressive nature of the current tax will be horribly highlighted. No amount of social security will overcome this. The rich will get richer and the poor much poorer.

Richard Murphy.

Director

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### **Children and Youth**

Is it really not time to give our youth a chance? In past generations there was plenty of open space for youngsters to hang out and kick a ball around without disturbing anybody. Today every spare piece of land seems to be being built on - if it is not even more flats it is office space? This equates to over population which brings about social problems, human beings need recreational space and youth do not necessarily want structured organisations and not all parents are able to afford the associated costs involved.

Nursery costs and provision are still being debated. By the time this is sorted out many of our children will no doubt have gone past the need for nursery provision.

What about our younger children where both parents have to work long hours to make ends meet? This is not the parents' fault but is our Government's for allowing our Island to become so expensive.

### **Mission Statement**

We are members of the Association for the taxation of financial Transactions for the Benefit of Citizens (Attac) & the Tax Justice Network (TJN),

The aims of both organisations are to research, educate and campaign to further public awareness. We are seeking to alleviate poverty through the creation of just taxation systems to fund social goods.

[www.aabaglobal.org](http://www.aabaglobal.org)

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

[www.jersey.attac.org](http://www.jersey.attac.org)

If you would like to send us a story or short article please contact Pat Lucas e-mail address

[jeanandersson42@hotmail.com](mailto:jeanandersson42@hotmail.com)

Next meeting 1<sup>st</sup> March 2007 at St Paul's Centre 7.30pm