

Welfare for the Rich . . .

Tax: avoidance and evasion

- It is estimated here that £25 billion annually is lost from tax avoidance. This is made up of £13 billion p.a. from tax avoidance by individuals and £12 billion p.a. from the 700 largest corporations. It is estimated that an additional £8 billion p.a. is lost to public funds from tax planning by the wealthiest members of the UK community
- TJN estimates that US\$255 billion is lost every year to governments around the world because of the no or low taxation of funds in offshore centres.
- Tax havens cost the UK Exchequer at least £18.5 billion per year
- In 2006, Britain's 54 billionaires boasting a combined wealth of £126 billion are estimated to have paid income tax of only £14.7 million
- US\$11.5 trillion of personal wealth was held offshore by rich individuals in 2005
- Since 1997, New Labour has cut Corporation Tax from 33% to 28%.
- Over the last 15 years, executive pay has risen at seven times the rate of the average worker.
- The poorest 20% of the population pay nearly 40% of their total income in direct and indirect taxes, compared to 34.8% for the richest 20%.
- The most recent government survey showed that in 2003 the 1% of the wealthiest owned 34% of the wealth and the 50% of the least wealthy owned only 1% of the wealth.

Bailouts

- The IMF estimates the UK has spent nearly 20% of its GDP - £285bn - in up-front support for the financial sector since the crisis began. That compares to a figure of 6.3% of GDP for the US and an average of 5.2% for the advanced economies within the G20
- In March 2009, the Government announced £2bn to bailout failing PFI schemes
- The UK Government's bailout of Royal Bank of Scotland and Lloyds TSB looks set to add between £1 trillion and £1.5 trillion to national debt. This colossal intervention represents the equivalent of between 70% and 100% of Britain's GDP
- The government now own a 68% stake in RBS and 43% stake in Lloyds TSB respectively

... Workfare for the Poor?

Benefits

- There are now 2.26 million people unemployed; youth unemployment is at its highest for fifteen years; and the claimant count is at its highest for 18 years
- If unemployment benefit had kept pace with earnings since 1980, Jobseeker's Allowance would be worth over £100 per week today. Instead it is £64.30 or £50.95 for under-25s. If an earnings link had been introduced in 1997 it would be £75
- Until November 2008, lone parent benefit was claimable as of right until the youngest child was 16; now it is 12, and by the end of next year it will be 3.

Pensions

- In 1980, the basic state pension was worth 23% of average male earnings, now it is only 14%
- The average retirement pension for FTSE 100 executives is around £200,000 a year
- Due to lack of resources, 85% of the under-30s have no pension. Nine million under-50s are not saving in a pension. An estimated 11.6 million people aged between 16 and 65 have no private or company pension provision
- At 17% of average earnings, the UK state pension is the lowest in Europe (the EU average is 57%).

Poverty

- 13.2 million people live in poverty, including 2.1m pensioners and 3.9m children
- Over 20% are officially income poor, in 1979 it was 13%. However, 58% of British Asian and 40% of black British people are income poor.
- Progress in reducing child poverty has stalled since 2004/05 and UK still ranks equal bottom of EU15 countries.
- Child poverty has increased by 300,000 since 2005
- Pensioner poverty increased in 2006/07 (having fallen between 1997-2005)
- The current poverty line for a family with two children (after housing costs) stands at £283.20 per week
- The gender pay gap is 17% for full-time work and 38% for part-time work.