

**The pocket
guide to tax
and the Bible**

Why our faith calls
us to tax justice



A failure to feed, clothe and relate to those in need is...a failure to know and respond to Christ himself.

At the heart of the Gospel

Just then a lawyer stood up to test Jesus.

‘Teacher,’ he said, ‘what must I do to inherit eternal life?’

He said to him, ‘What is written in the law? What do you read there?’

He answered, ‘You shall love the Lord your God with all your heart, and with all your soul, and with all your strength, and with all your mind; and your neighbour as yourself.’

And he said to him, ‘You have given the right answer; do this, and you will live.’

(Luke 10:25-28)

When Jesus was then asked, ‘but who is my neighbour?’ he responded with a parable about someone who acted as a neighbour, giving urgent, practical and effective assistance where need was great, regardless of faith and nationality. Jesus placed relationship at the heart of the Gospel: our relationship with God, and the relationship of human beings with one another. According to Jewish law, this relationship was a covenant or promise entered into by God.

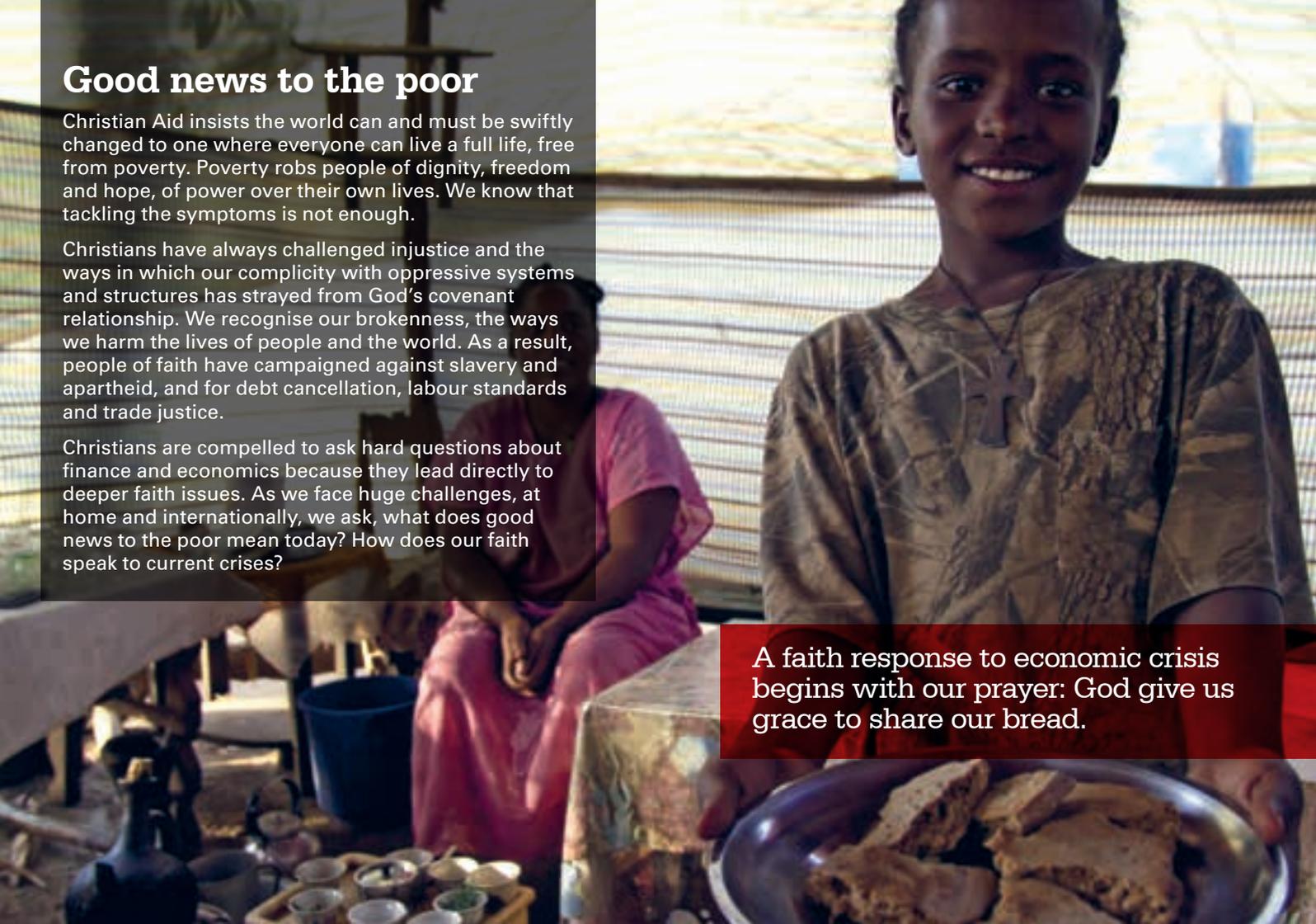
John’s Gospel tells us that in seeing Jesus, we also see the one who sent him, and that the poor and powerless are especially close to the heart of God. In Jesus’ life and teaching, the Church is called to bring good news to the poor. A failure to feed, clothe and relate to those in need is presented in Matthew 25 as a failure to know and respond to Christ himself.

Good news to the poor

Christian Aid insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty. Poverty robs people of dignity, freedom and hope, of power over their own lives. We know that tackling the symptoms is not enough.

Christians have always challenged injustice and the ways in which our complicity with oppressive systems and structures has strayed from God's covenant relationship. We recognise our brokenness, the ways we harm the lives of people and the world. As a result, people of faith have campaigned against slavery and apartheid, and for debt cancellation, labour standards and trade justice.

Christians are compelled to ask hard questions about finance and economics because they lead directly to deeper faith issues. As we face huge challenges, at home and internationally, we ask, what does good news to the poor mean today? How does our faith speak to current crises?



A faith response to economic crisis begins with our prayer: God give us grace to share our bread.

'We cannot study to ruin our neighbour's trade in order to advance our own'

John Wesley

In a world of bountiful resources, of God's abundance, it is a scandal that chronic hunger and extreme poverty still exist. Across the world, 1 in 8 people go to bed hungry each night. Tackling poverty is a complex issue, and it costs money – money that poor countries do not have. In wealthier countries, such problems have been tackled thanks to public services provided by tax revenues.

Tax dodging on a massive scale by some unscrupulous global companies is depriving poor countries of the revenues that could provide these public services. Christian Aid estimates that tax dodging costs poor countries \$160bn every year – more than one-and-a-half times the global aid budget. Imagine what a difference \$160bn could make in the fight against poverty and hunger. Ending tax dodging would help give poor countries the means to lift themselves out of poverty, and eventually end their reliance on aid.



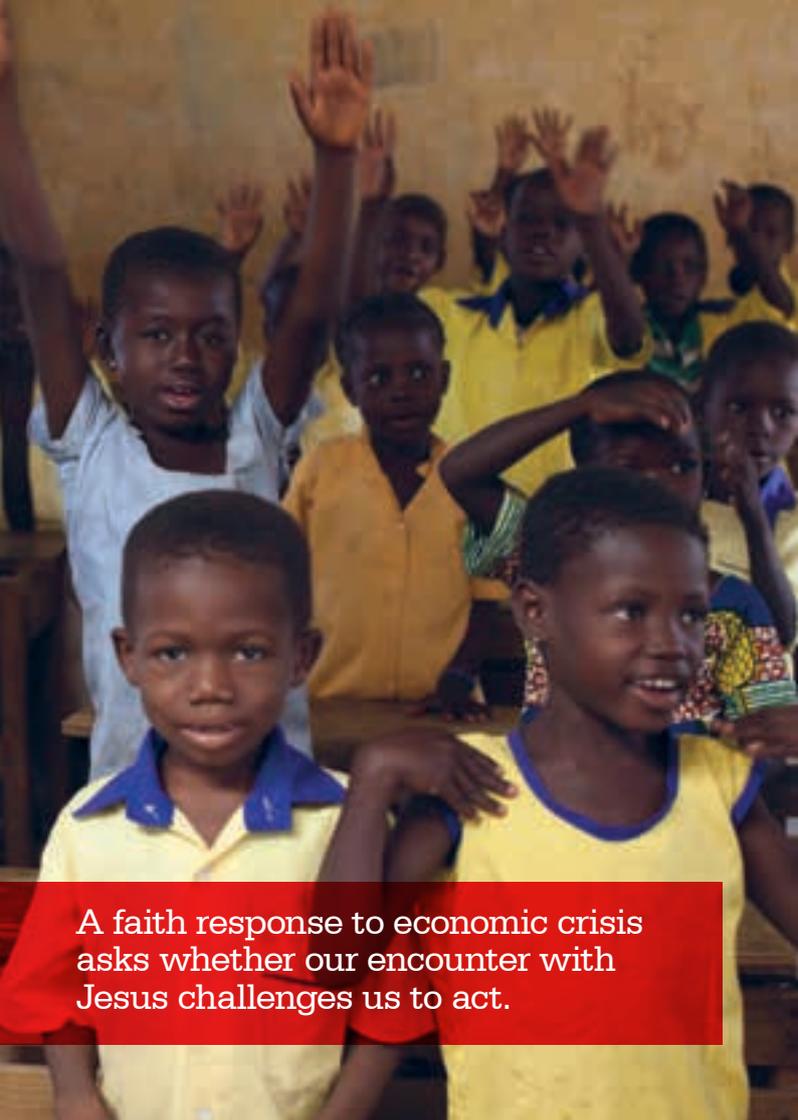
Abundant life

'I came that they might have life, and have it abundantly,' said Jesus, reminding us that life has many dimensions; spiritual, social, environmental and economic.

Rather than view economics as an opportunity to pursue wealth, we should view it as the task of good stewardship. But this does not mean maximising profits, share returns or property holdings. It is about ordering our communities so that all members, including the most vulnerable, can grow and flourish. A fair economy is a clear indicator of a just spirituality.

Our global resources are a gift from God. We should seek to order them in line with God's purposes of justice and love. Ultimately, all are held in trust, not just for our benefit, but for that of the whole community, and for the future, and we are accountable for that trust. To be a steward is to share the blessings of creation with all of creation.

A faith response to economic crisis asks, 'how does our economic stewardship contribute to abundant life for everyone?'



A faith response to economic crisis asks whether our encounter with Jesus challenges us to act.

Pay to all what is due to them

The Church has always held that our politics and economics are as much legitimate arenas for our Christian faith as our prayer lives.

Every personal encounter with Jesus had two outcomes. First, a person was fed or healed, raised to their feet or turned in a new direction, changed or challenged. Second, that person was invited into a new relationship and community. We can see this in those whose meetings with Jesus included an economic exchange, such as tax collectors or those with worldly wealth.

'Pay to all what is due to them—taxes to whom taxes are due, revenue to whom revenue is due, respect to whom respect is due, honour to whom honour is due.'

(Romans 13:7)

Rich countries depend on tax for the wide range of public services that are essential for a functioning, stable society. So it's important that we take seriously the role of tax in building communities in developing countries. The poorest and most vulnerable are also our neighbours in Christ.

How tax dodging works

There are many reasons why global companies are able to dodge paying taxes, but a key theme is the lack of transparency in the international financial system.

This financial secrecy makes it easy for companies to shift money between different parts of their business around the world, allowing them to dodge taxes in the country where the profits are made.

One common method of tax dodging is for a large global company to manipulate its profits and revenues through tax havens, which combine high levels of secrecy with very low, or even zero, tax rates. Many tax dodgers keep their money in phantom firms – concealing the real owners, the profits they are making and the tax they owe.

Christian Aid believes greater transparency is vital to ending tax dodging and ensuring poor countries receive the tax revenues they are due.

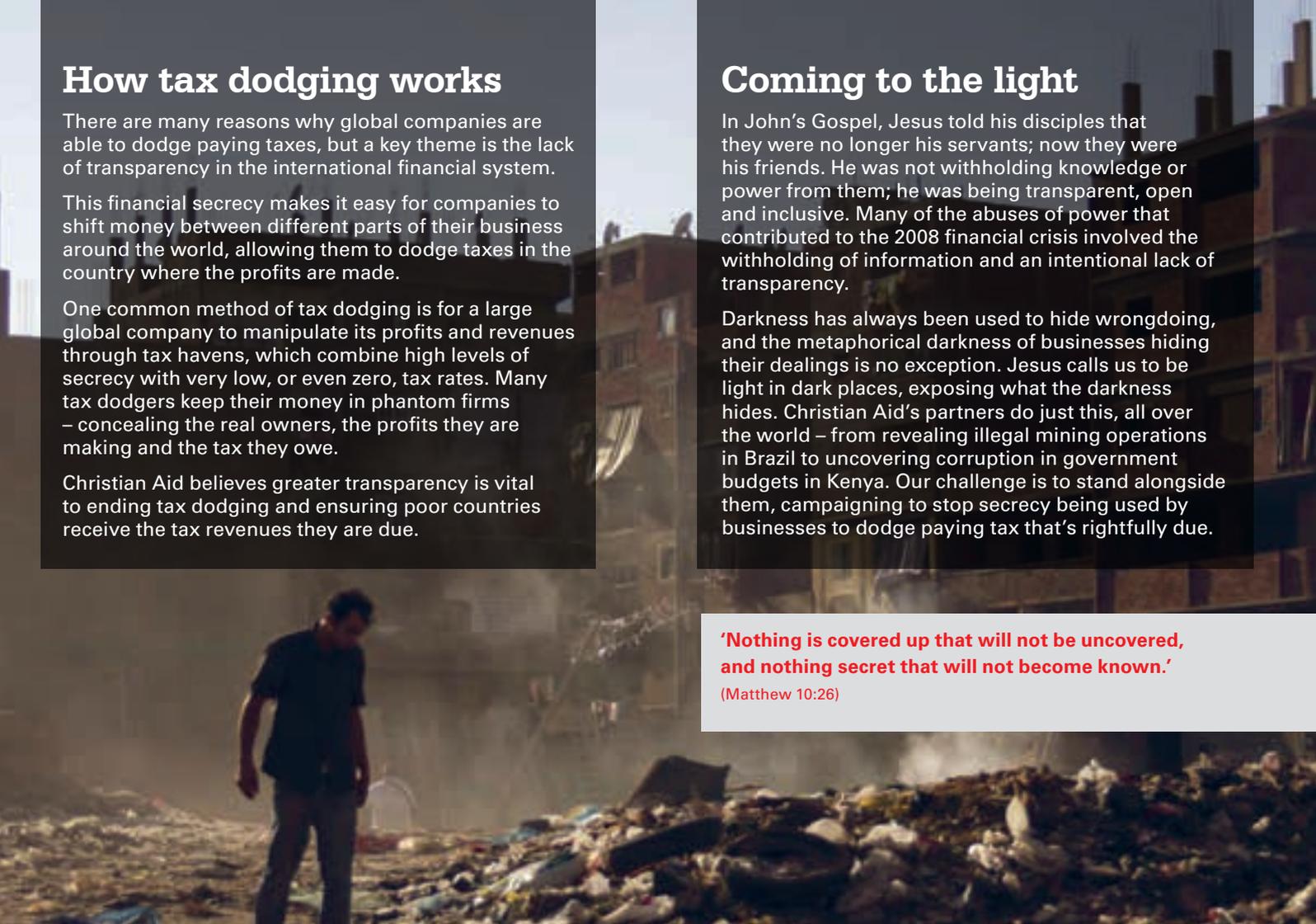
Coming to the light

In John's Gospel, Jesus told his disciples that they were no longer his servants; now they were his friends. He was not withholding knowledge or power from them; he was being transparent, open and inclusive. Many of the abuses of power that contributed to the 2008 financial crisis involved the withholding of information and an intentional lack of transparency.

Darkness has always been used to hide wrongdoing, and the metaphorical darkness of businesses hiding their dealings is no exception. Jesus calls us to be light in dark places, exposing what the darkness hides. Christian Aid's partners do just this, all over the world – from revealing illegal mining operations in Brazil to uncovering corruption in government budgets in Kenya. Our challenge is to stand alongside them, campaigning to stop secrecy being used by businesses to dodge paying tax that's rightfully due.

**'Nothing is covered up that will not be uncovered,
and nothing secret that will not become known.'**

(Matthew 10:26)





Isabel received treatment for acute malnutrition at a clinic run by Christian Aid partner Bethania. Fifty per cent of all Guatemalan children are malnourished.

The worst kind of poverty

'To have a malnourished child, that is the worst kind of poverty there is,' says Cresencia Hernandez, from her home in the Guatemalan Highlands. Here, almost half of children under five don't get enough to eat. Four-year-old Isabel is one of them. When she came to a clinic run by Christian Aid partner Bethania, she was suffering from acute malnourishment. Although she was treated and survived, Isabel's mental and physical growth will still be stunted as a result.

The fact that this happens in a middle-income country like Guatemala is a scandal. The government there doesn't have the resources for a long-term comprehensive programme to bring levels of malnutrition down. This is due to a weak and unequal tax system and widespread tax dodging by wealthy elites and businesses. Until the structures that enable tax dodging are changed, people like Isabel and Cresencia will continue to pay the price.

What's the solution?

We believe the key to tax dodging is greater financial transparency.

Tax havens often do not require companies to show who really owns the assets held there and are not legally obliged to share the information they have about companies using them.



Governments in poor countries face particular challenges in accessing this information, which they need to collect the taxes they are owed. We want all countries to maintain proper and public registers of who owns companies and enable poor countries to have automatic access to tax information held by all governments, including tax havens.

We need to know who owns what, where and for whose benefit. If large global companies were obliged to publish the profits they make and the taxes they pay in each country in which they operate, governments in poor countries could see more easily where tax dodging is occurring.

Our politicians have the power to ensure that these requirements are put in place.

'Friends, do you think you'll get anywhere in this if you learn all the right words but never do anything? Does merely talking about faith indicate that a person really has it? Isn't it obvious that God-talk without God-acts is outrageous nonsense?'

(James 2:14-17 The Message)

Faith and action are inseparable. Jesus' teachings and the inspiration of the Holy Spirit call us to give thanks for what is good and challenge what is evil. Rendering to Caesar what is Caesar's remains a justice imperative as poverty and inequality continue to grow.

The call to conversion, to transformation of life, which was so central to Jesus' ministry and which is the ongoing task of his church, can never just be about our personal spiritual lives. It is also about how we spend our money and our time.

As people of faith, we should stand against the things that prevent our neighbours living abundant lives. Together, in the power of the Holy Spirit, we can challenge and change the structures that keep people poor. Biblically, the sharing of wealth is the mark of a redeemed community as well as a changed individual.

Together we can bear witness to a different, more compassionate, economics.

A faith response to economic crisis requires us to challenge injustice and affirm community.

Receive the latest updates and actions
in the campaign for tax justice:

christianaid.org.uk/become-a-campaigner
christianaid.ie/become-a-campaigner

For more information about tax dodging
and its effects, plus worship and other
resources, visit:

christianaid.org.uk/tax
christianaid.ie/tax



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