

Britain is 'as corrupt as worst African states'

Duncan Campbell Monday September 4, 2006 The Guardian

Britain, the US and Switzerland should rank among the world's most corrupt countries, according to a paper delivered to an economics conference at the weekend. The failure of these and other developed countries to clamp down on offshore tax havens is responsible for more hardship than any corrupt acts by third world leaders, a leading tax expert said.

"I would place the United Kingdom high on the list of most corrupt countries," said John Christensen, formerly an adviser to the Jersey government and now director of the Tax Justice Network (taxjustice.net), speaking at the Economic Geography Research Group conference.

He said he based this on Britain's role as a tax haven and a defender of the tax haven role of its overseas territories and Crown dependencies, as well as its "dismal role in undermining the effectiveness" of the European Union's attempts to close tax loopholes.

Mr Christensen said it was time to "turn the current focus on corruption and development on its head". He argued that there had been too much emphasis on corruption in third world countries and not enough on the abuse of offshore tax havens by the wealthiest nations.

Transparency International, a pressure group campaigning against corruption, reinforced stereotypes by depicting African nations as the most corrupt, he said. By contrast, Mr Christensen said, many of the countries it identified as least corrupt were offshore tax havens, including major centres such as Singapore, Switzerland, Britain, Luxembourg, Hong Kong, the United States, Belgium and Ireland.

A spokesman for Transparency International in Berlin said its index was based on a definition of corruption as "the abuse of entrusted power for private gain". He said TI also examined the collaboration of richer countries in all forms of corruption.

Mr Christensen said that, through a process of stealth, the global economy had been reconfigured to match the interests of a class of super-rich who held their wealth in offshore tax havens such as Jersey, Monaco, Switzerland or the Cayman Islands. "They live more or less where they choose, and their main preoccupation lies with staying rich," he said.

"Detached from the concept and practice of citizenship, they have managed to relieve themselves, to a remarkable extent, of the obligation to contribute to the national treasury."

Mr Christensen argued that most observers might expect that governments of onshore states would act collectively "but, in practice, key actors, notably Switzerland, the UK and the USA, act to restrain efforts at achieving global cooperation".

Throughout the developing world, tax evasion and the looting of resources to secret bank accounts has nurtured resentment, widespread unemployment, poor public services and a general lack of opportunity, Mr Christensen claimed.

"Most of these problems can be remedied by strengthening international cooperation. Effective information exchange between national authorities would go a long way towards overcoming the problems of capital flight and tax evasion.

"The principal barrier standing in the way of progress towards achieving these goals is the lack of political will."