



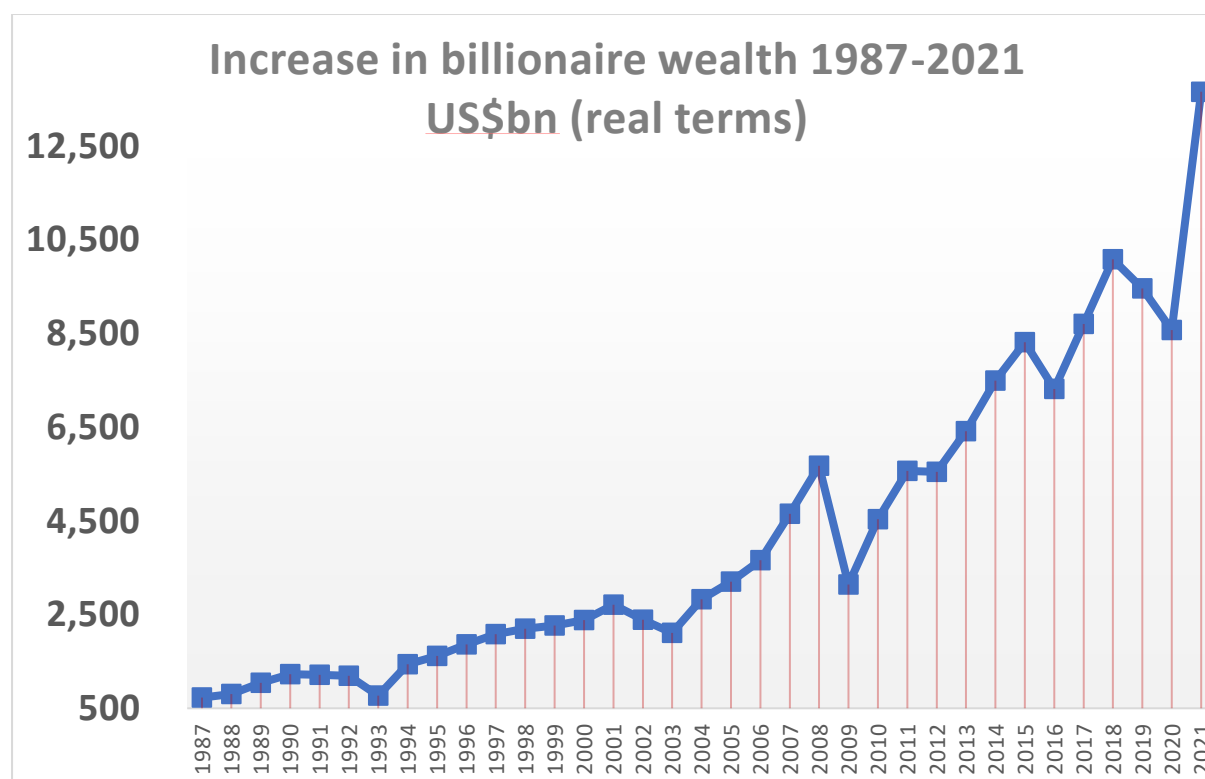
Opening Statement by Jim Clarken, CEO of Oxfam Ireland, at the Committee on Budgetary Oversight, 14th June 2023.

Cathaoirleach, Members – thank you for the opportunity to address this committee, and to discuss the recent Oxfam report, “Survival of the Richest,” and our proposals for taxing wealth. Oxfam is a global movement of people seeking to end poverty and injustice. We speak out on the big issues that keep people poor, like inequality and discrimination against women. Supported by people across the island of Ireland for over 60 years, we are an independent, secular and not-for-profit organisation. We deliver programmes with our partners in seven countries in Africa and we respond to emergencies worldwide.

For over a decade, Oxfam has campaigned against inequality, a focal point being the yearly gathering of some of the world’s richest people at Davos, Switzerland, at the World Economic Forum. Our recent reports at Davos have shown how levels of inequality between the world’s richest and poorest people have now reached the level of the ‘gilded age’ in nineteenth-century America, when staggering wealth existed alongside devastating poverty. In terms of that inequality in today’s world, I would like to turn to one graph from the beginning of our most recent ‘Davos report’, “Survival of the Richest”.

This graph, taken from Forbes, shows that billionaire wealth increased from 500 billion dollars to 14 thousand billion dollars since 1987, a 28-times increase. It is important to note that these figures are adjusted for inflation so this is a real rate of increase. This large glut of wealth, especially when it is held in non-productive and carbon-intensive forms - and in order to avoid taxation - is of little benefit to wider society. It could be called our ‘billionaire, or millionaire, problem’. At the same time, our “Survival of the Richest” report showed that an extra 70 million people were forced into extreme poverty in 2021, and at least another 71 million people in 2022, while women and girls

suffered the most in terms of economic losses, being forced out of education and gender-based violence.



The pattern of élite wealth accumulation that we can see in Ireland is similar. Using a methodology compiled with the wealth consultancy, Wealth-X, that allows us to delve more deeply into élite wealth, we have found the following in Ireland – in two categories. The number of people with the equivalent of over 5 million US dollars net wealth, and those with over 50 million US dollars net wealth, have more than doubled both in number and wealth over the last decade. Again, this has been adjusted for inflation.

Irish Millionaires 2012-2022

	\$5		\$50	
	Number	wealth	Number	wealth
2012	9,430	204	655	98
2022	20,575	445	1,435	214
% change	118.2	68.3	119.1	68.4

It is important to note that Oxfam Ireland believes in principles of equity and sustainability at home as well as abroad, in the universal spirit of the Sustainable Development Goals, which Ireland has served as co-chair.

Therefore, when it comes to our recommendations for taxation and welfare in Ireland, we have sought to propose policies not just to face this country's demographic and environmental challenges, but also ones with a high level of progressivity and social fairness. For example, in our illustrative models of wealth tax and our budget submissions, we have looked at the contributions proposed by Social Justice Ireland for spending on Housing, Health, Disability and Carers, Pensions and Older People, Children and Families, and Just Transition, as well as what we feel should be spent abroad by Ireland on Official Development Aid (ODA) and international Climate Finance.

The two models for a net wealth tax in Ireland which we proposed in 2022 and 2023, levied on that small number of individuals in Ireland with the equivalent of over 5 million US dollars net wealth (20,575) and those with over 50 million US dollars net wealth (1,435), have predicted annual yields of between 5 billion Euro and 8 billion Euro respectively. It is important that we clarify a number of issues in relation to these models:

- In putting forward these models, we have sought to illustrate both the levels of elite wealth and inequality that may exist in Ireland, and the potential benefits of taxing that wealth. However, we are not, in fact, prescriptive about how that wealth should be taxed, be it through a specific annual net wealth tax or an increase in existing capital taxes, as the report of the Commission on Taxation and Welfare, "Foundations for the Future," proposes (while holding the option of a specific net wealth tax in abeyance). In any case, we wholeheartedly agree with the Commission on Taxation and Welfare's main recommendation that an increase in capital taxes is essential to meet our future challenges as a society, capital taxes designed as progressively as possible.
- Above all, what we would like to encourage is a national conversation about taxing wealth in Ireland. Clearly, we are in a temporary position of very high yields from corporation tax but that is based on a very narrow, and likely unsustainable, base, as has been pointed out. We would like to develop a broad conversation on how best to tax wealth in Ireland, and to hear from the views of a wide range of people and stakeholders, perhaps using a Citizens' Assembly style approach.

- The recommendations in our “Survival of the Richest” report are, again, non-prescriptive and wide-ranging in their approach. There is a lot that Ireland can do in its international policy to address the problem of élite, opaque wealth, in areas such as the creation of a Global Asset Registry and of public registries of beneficial owners, which should include trusts. There is also a whole range of new international taxes that Ireland could support, new forms of windfall, dividend and climate-wealth taxes, which are being proposed at international levels and at the summit on a New Financial Pact being held in Paris next week.
- This is not, however, to step back from the option of proposing specific net wealth taxes, which have now become more feasible both for technical and political reasons, and in which we see in a wave of interest and initiatives both across Europe and America.
- In that regard, we would like to announce today the launch of a new European Citizens Initiative on wealth tax, which is seeking to raise one million signatures in favour of an EU-wide wealth tax, and which we are supporting along with 7 leading European personalities including French economist, Thomas Piketty, and European Trade Union Congress (ETUC) general secretary, Esther Lynch.

I would like to thank the Committee and the Cathaoirleach for your interest in this issue, and in the generational challenge of combating élite wealth and stark inequality reminiscent of the ‘gilded age’. We look forward to your questions.