

# ROBIN HOOD TAX GLOBAL WEEK OF ACTION

15th-22nd May 2012

## CAMPAIGN TOOLKIT

Welcome to your step by step guide on creating a fantastic Robin Hood Tax Global Week of Action from the 15th May - 22nd May! This pack is designed to help you plan and deliver great campaigning in your country during the week.

This year's Global Week of Action plans to be big and brilliant; your hard work and commitment could create the political change needed to ensure the Financial Transaction Tax becomes a reality.

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Global campaign team  
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# 1. Background

## A GREAT IDEA

The global campaign for a Robin Hood Tax has come a long way since it started two years ago. Since its launch in February 2010, the campaign has shifted the debate on a Financial Transaction Tax (FTT) from a radical idea to a realistic proposition considered by the IMF, the European Commission, the G20 and a number of national governments. At the G20 Summit in France last year, Germany, France, Spain, Brazil, Argentina, South Africa, Ethiopia, the African Union all pledged their support for an international Financial Transaction Tax.

The campaign has been supported by leading economists, including Nobel Prize winners Joseph Stiglitz and Paul Krugman, Earth Institute Director Jeffrey Sachs and 1,000 other economists from around the world. Prominent advocates have declared support including Microsoft founder and philanthropist, Bill Gates; religious leaders Desmond Tutu, Rowan Williams, the Vatican and Jesse Jackson; prominent public figures such as Ban Ki Moon, Kofi Annan, Al Gore and Gordon Brown; over 1000 parliamentarians from 30 countries, as well as key financial voices, such as Adair Turner, George Soros and Warren Buffet.

## WORKING TOGETHER

This is an extraordinary turn around, in no small part due to the campaigning efforts of civil society organisations around the world. Campaigners from development agencies, environmental groups, trade unions and faith groups have come together to call for a fairer financial system and seize the opportunity for an international FTT. The Campaign has grown into a global movement, with over 500,000 active campaigners in 45 countries. From the Robin

Hood Tax campaign in the UK with over 260,000 supporters, to the 'Tax against Poverty' coalition in Germany, national FTT campaigns and coalitions exist in more than 20 countries.

## MOVING FORWARD

Over the next few months, we have a window of opportunity to build on the successes of the past 2 years. It is a real possibility that a coalition of 9 European countries, led by Germany and France, could push ahead and implement an FTT in 2012, with EU Member States discussing the issue during meetings next month.

Support for the FTT grows in the US against the backdrop of increasing resentment over unemployment, slow growth and the costs of the financial crisis, and a US Robin Hood Tax campaign will be launched at a Chicago rally of unions and Civil society organisations to tie in with the G8 in May.

We could see significant progress if we keep up the pressure on governments around the world ahead of the Rio+20, G20 Summit, European Finance Ministers and European Heads of State meeting this June. So now is the time to build the momentum to achieve success in 2012 and beyond.

In 2012, we are targeting the following countries:

- In Europe: France, Germany, Netherlands, Italy, UK, Spain, Denmark, Ireland, Austria, Poland, Norway, Belgium, Finland, Portugal, Slovakia, Slovenia, Greece;
- In the G8/G20: US, Canada, Australia, South Africa, Brazil, Argentina, India, Mexico, Japan, Indonesia
- Key countries in the Global South, particularly those attending the G8 Summit (likely to include Nigeria, Ethiopia, Senegal and others TBC).



Belgium

## 2. Objectives

The Global Week of Action is a chance to demonstrate the strength, breadth and diversity of the international Robin Hood Tax campaign and influence decision-makers ahead of a critical inter-governmental meetings taking place during May and June 2012:

- G8 Summit: 18th - 19th May 2012 at Camp David, Maryland, USA which will coincide with the launch of the US Robin Hood Tax campaign;
- European Finance Ministers Meetings (ECOFIN): 15th May 2012 and 22nd June 2012;
- G20 Summit: 18th - 19th June at Los Cabos, Mexico;
- Rio+20: 20th - 22nd June 2012 at Rio De Janeiro, Brazil;
- European Heads of State Meeting: 28th-29th June, when we expect key agreements to be made on the future of the FTT in Europe.

The Global Week of Action is a crucial period to mobilise supporters and partners to build political pressure ahead of these meetings. The Campaign has developed a menu of activities to allow participating countries to develop plans that work for them in line with three key objectives:

1. Generating digital and traditional media coverage;
2. Mobilising supporters to demonstrate the global breadth of the FTT Campaign;
3. Lobbying key European embassies of France, Germany, Spain, Italy and the Netherlands

The proposed activities aim to:

A. Mobilise networks of **bloggers and online influencers** to amplify the campaign messages and support the 'call to action' so that more people around the world participate in the Robin Hood Tax campaign as well as put pressure on our target governments. See Resources section A;

B. Engage partners and supporters in a simple and symbolic offline action or **photo stunt** that will demonstrate the breadth of the international movement to support digital mobilisation and media work. For countries with more ambition and capacity, and have identified a national media hook, partners may wish to organise a larger-scale media stunt. See Resources section B;

C. Encourage participation in **'Tweet Chicago'** - a Twitter action which will allow people around the world to send a message to G8 leaders that will be displayed during the major campaign rally in Chicago, organised by National Nurses United and the new US Robin Hood Tax Campaign. See Resources section A;

D. Enable partners to **lobby the embassies of key European governments** who are leading negotiations on the European FTT, including France, Germany, Spain, Italy and the Netherlands. This can involve organising a joint lobby letter from national civil society organisations and seeking a meeting/hand-in with relevant Ambassadors. This action is for countries with less capacity, but who are still keen to participate in the Global Week of Action. See Resources section E.



Rwanda

### 3. Key Messages

- **Activists in at least 30 countries around the world are taking part in a Global Week of Action in support of a Financial Transaction Tax / Robin Hood Tax to raise billions to tackle poverty and climate change.**

- The huge diversity of events happening across the world shows that the call for an FTT is truly global.

- **This is an idea whose time has come. We are sending a clear message to European leaders to press ahead with plans to make an FTT a reality in 2012 and telling other leaders to get on board**

- This could be the most popular tax in history. The idea is backed by a thousand economists, including Nobel prize winners Joseph Stiglitz and Paul Krugman and 1,000 other economists from around the world.

- Other prominent advocates who have declared their support include Microsoft founder and

philanthropist, Bill Gates; religious leaders Desmond Tutu, Rowan Williams, Jesse Jackson as well as the Vatican; prominent public figures such as Ban Ki Moon, Kofi Annan, Al Gore and Gordon Brown, alongside 1000 parliamentarians from 30 countries, and key financial voices, such as Adair Turner, George Soros and Warren Buffet.

- **The reckless behaviour of the financial sector helped push millions of people into poverty and jeopardised our commitments to tackle climate change, it is time banks repaired the damage they caused.**

- The public are rightly angry that banks' profits and pay have been protected while we pay for their mistakes with cuts to services, jobs losses and tax rises – a Financial Transaction Tax could be spent on reversing spending cuts and stimulate economic growth. In the EU-zone alone, a FTT would lead to an increase in economic growth of 0.25%;



Spain

# RESOURCES

## A. BLOGGERS AND SOCIAL MEDIA ACTIONS

Put simply, the idea is to get as many people as possible talking about and acting in support of the Robin Hood Tax during the Global Week of Action. While you will know what will work in your national context, and with your audiences, we have pulled together a number of resources to help you in your effort. Possibilities for what you can do ahead of, and during, the Global Week of Action are provided below:

### 1. In your online spaces

- Blog about the progress of the Robin Hood Tax Global Week of Action campaign to date, including international progress and the key events coming up: G8, ECOFIN, G20, Rio+20, European Heads of State;
- Promote facebook shares (<http://www.facebook.com/#!/robinhoodtax>);
- Tweet;
- Create / use existing reactions to pressure decision makers;
- Report back and share content on the media and photo stunts you may be doing;
- Report back on what is happening around the world.

### 2. Influential bloggers and social media friends

- Contact bloggers and organisations you work with or think could be useful;
- Ask them to carry some Robin Hood Tax content or to write about an aspect of the campaign they may be interested in;
- Offer them an interview with someone from your campaign, or ask if you can have a guest blog;
- Invite them to the Global Week of Action bloggers briefing which will be scheduled on or around Friday 11th May (further details will be circulated shortly);
- Contact them on Twitter and Facebook and ask them to share content.

### 3. Tweet Chicago

During the National Nurses United march in Chicago on the 18th May, which marks the launch of the US Robin Hood Tax campaign, we will display posters carrying tweeted messages of support. We will then feedback photos of these to everyone.

- Ask people to tweet why they support a Robin Hood Tax, and/or a message to G8 Leaders;
- For this please use @robinhood and #RobinHoodTax;
- The cut off date for tweets will be Wednesday 16th May 2012;
- Ask people to tweet why they support a Robin Hood Tax, and/or a message to G8 Leaders;
- For those people whose tweets we choose, we will use the #RobinHoodTax hashtag to search and pick the best;

- We'll also contact them directly to let them see their tweets being displayed!

Suggested tweet content for you to use or adapt:

- *On Fri 18th thousands will march in Chicago to ask #G8 leaders to introduce a @RobinHood tax. Send them a msg of support using #robinhoodtax*
- *On 18/5 thousands will march for a Robin Hood Tax. Want your msg displayed on the march? Tweet why you support this great idea to @robinhood*
- *Ahead of the G8 thousands will march in support of @robinhood tax. Send your messages of support to @robinhood + we'll a pick on the march*

### 4. What we will provide

- A template blog of campaign progress to date;
  - Social media content, including suggested tweets and facebook updates;
  - A list of useful content, including fantastic videos, blogs, op-eds, images and more, so you can use what is relevant to you;
  - Suggested copy and ideas for your blogger outreach activities;
  - A Global Week of Action bloggers briefing which will be scheduled on or around Friday 11th May (further details will be circulated shortly);
  - We will also have two pieces of new content available from the 14th May 2012:
- An info-graphic that shows the money that can be raised by an FTT and what it could achieve. This will be available in several languages;
  - A short funny video that mashes up all the classic film and TV versions of Robin Hood. This will only be available in English.
- All this content is available at the Robin Hood Tax Campaign 'YouSendIt' account. It's really straight forward to access!
- Go to <https://www.yousendit.com/>
  - Email: [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk)
  - Password: robinhood
  - Once logged in click on folders on the top menu. You'll see a list of well labelled files, click and download what you need.

### 5. Template blog

Here is a template blog for you to copy, edit, and adapt to suit your national political context and around key events coming up: G8, ECOFIN, G20, Rio+20, European Heads of State. A longer version of this blog is available in the drop-box.

*If Gandhi's chronology of 'first they ignore you, then they laugh at you, then they fight you, then you win' is anything to go by, the Robin Hood Tax campaign is getting close to its goal.*

*When the campaign launched two years ago, the idea of taxing the banks was unimaginable; now it's taken giant leaps towards reality. Hardly a day*

goes by when the Robin Hood Tax or Financial Transaction Tax is not in the news. It's been an amazing two years - and 2012 is full of opportunity.

This week supporters from around the world are doing all they can to push Governments to introduce this no brainer of an idea. But first, here's an update of where we are.

Following the significant progress seen under the French Presidency of the G8 and G20 last year, Germany, France, Spain, Brazil, Argentina, South Africa, Ethiopia and the Africa Union all pledged their support for a Robin Hood tax. The conversation on a Robin Hood Tax have moved from if to when - make no mistake, this is a campaign that is on its way to victory.

The campaign has won support from all arenas: Nobel Prize winners Joseph Stiglitz and Paul Krugman, Earth Institute Director Jeffrey Sachs and 1,000 other economists from around the world. Prominent advocates have declared support including Microsoft founder and philanthropist, Bill Gates; religious leaders Desmond Tutu, Rowan Williams, the Vatican and Jesse Jackson; prominent public figures such as Ban Ki Moon, Kofi Annan, Al Gore and Gordon Brown, alongside 1000 parliamentarians from 30 countries, as well as key financial voices, such as Adair Turner, George Soros and Warren Buffet.

The extraordinary actions of people around the world mean this fight can be won. This week, as leaders meet for the G8 in Camp David, thousands of nurses will march in Chicago to try to convince President Obama to put the interests of Main Street ahead of the titans of Wall Street. Some of those nurses will have travelled from around the world to take part with one simple message: 'enough is enough', and to ask governments to do what they do everyday - put people, not profit first with a Robin Hood Tax. This action is just part of the story, campaigners from thirty plus countries will be taking action: making a noise online, visiting embassies, dressing in kilts and clogs, doing all they can to shout about the Robin Hood Tax.

As an economic storm once again threatens to engulf the world economy, all eyes will be on world leaders to fix the system at the upcoming G8, G20 and Rio Summits, by curbing casino capitalism Robin Hood taxes will help do that, in addition to raising tens of billions to help the world's poorest people.

Ideas this good don't come along every day. And when they do, they're too powerful to ignore.

## 6. Suggested social media content

- The Robin Hood tax is a great idea, whose time has come. We know need action, not words, from #G8 leaders. #RobinHoodTax
- 1000 Economists, Nobel Prize Winners, World leaders, Religious figureheads all support a Robin Hood Tax. Do you?
- What can 1000 economists and Nobel Prize winners agree on? The Robin Hood Tax.
- In 2012, the Robin Hood Tax could move from being a great idea to a brilliant idea. Be part of it.
- Just 16 days of a Global Robin Hood Tax would pay for every child in the world to have an education.
- Just 30 mins of a global Robin Hood Tax could pay for the entire healthcare budget of Sierra Leone.
- Just 1 minute of a Global Robin Hood Tax could vaccinate 1.5 million children.
- 'The Financial Transactions Tax is a solid idea that has been resisted by Wall Street for years.' Jeffrey Sachs
- 'The beauty of a Tobin tax is that it would discourage short-term speculation without having much adverse effect on long-term international investment decisions.' Dani Rodrik
- 'It is very plausible that certain kinds of FTTs [Financial Transaction Taxes] could work. I am lending some credibility to that. This money could be well spent and make a difference.' Bill Gates, Chairman of Microsoft
- 'The globalisation of financial markets has given financial capital an unfair advantage over other sources of taxation. A tax on financial transactions would redress the balance.' George Soros, Soros Fund Management and Open Society Institute.
- 'We need policy changes, we need a tax on carbon and we need a tax on global transactions.' Al Gore
- 'The initiative to tax Wall Street. It's so necessary... it has to happen. ' Michael Moore, American film director
- 'I'm in favour of the tax on financial transactions.' Mariano Rajoy; Prime Minister of Spain
- 'At a time when states are making remarkable efforts to restore their public finances... how can the financial sector triumphantly continue to march, indifferent to the world around it, carelessly and without a care for the disorder it as more than its share in causing.' Nicolas Sarkozy, President of France

## 7. Useful online resources

### Blogs

Detailed below are some interesting blogs with more information, and ideas for content. Please feel free to cross publish any that are hosted on Robin Hood tax site.

- Round up from previous Global Weeks of Action  
<http://robinhoodtax.org/latest/25-countries-thousands-people-one-message>  
<http://robinhoodtax.org/latest/week-time-robin-hood-tax-actions-happening-forty-countries>
- What's Next for the Robin Hood Tax campaign  
<http://robinhoodtax.org/latest/what-next-robin-hood-tax>
- Max Lawson on what RHT campaigns can learn from the abolitionists  
<http://robinhoodtax.org/latest/campaigners-can-still-learn-abolition-slavery>
- BBC Good for capitalism?  
<http://www.bbc.co.uk/news/business-15148590>
- Ha Joon Chang: An idea whose time has come:  
<http://www.guardian.co.uk/commentisfree/2011/apr/18/robin-hood-tax-financial-transactions>
- Shoring up heavyweight support  
<http://www.guardian.co.uk/business/2011/apr/13/robin-hood-tax-economists-letter?INTCMP=SRCH>
- Transcript and audio from a campaign interview with Stiglitz.  
<http://robinhoodtax.org/latest/stiglitz-talks-bank-taxes-world-media>

### Other

- Spoof edition of the Financial Times set in 2015 when a Robin Hood Tax has been introduced and made the world a better place:  
<http://robinhoodtax.org/latest/ftt-does-ft-another-world-possible>

### List of quotes from high profile supporters

- <http://robinhoodtax.org/sites/default/files/Who%20supports%20an%20Robin%20Hood%20Tax.pdf>
- Campaign FAQs: [http://robinhoodtax.org/sites/default/files/FAQs\\_for%20RHT\\_0.pdf](http://robinhoodtax.org/sites/default/files/FAQs_for%20RHT_0.pdf)

### Pictures

- Infographic showing who supports a Robin Hood tax:  
<http://robinhoodtax.org/get-involved/get-resources?page=1>
- Selection of photos, primarily of UK but also global actions. All available for download:  
<http://www.flickr.com/photos/robinhoodtax/sets/>

### Selection of posters and logos

- <http://robinhoodtax.org/get-involved/get-resources>

### Videos

- RSA Event with Jeff Sachs discussing the idea:  
<http://www.youtube.com/playlist?list=PL10F7024B4C722FC4&feature=plcp>

- *Supporter videos from around the world-changing*  
<http://www.youtube.com/playlist?list=PLC35592216D048426&feature=plcp>

- *Great animation from the Canadian campaign*  
<http://www.youtube.com/watch?v=ZSms77fPQAY>

There are lots more campaign videos available at:  
<http://www.youtube.com/robinhoodtax>

## 8. Feeding back on the Global Week of Action

Please let us know the progress and share any content with us. There are a few ways to do this, so please pick what is easiest for you.

- Email your photos and your PR blog to [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk);
- Upload them to your sites and online spaces and send the URL to [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk);
- Use the Global Week of Action 'YouSendIt' account. It's really straight forward to access!

- Go to <https://www.yousendit.com/>
- Email: [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk)
- Password: robinhood
- Once logged in click on folders on the top menu. You'll see a list of well labelled files, click and download what you need.

Following the Robin Hood Tax Global Week of Action, we will send out a round-up of blog, photo albums and slideshows that showcase all the actions that have taken place around the world.

If you have any questions, comments, ideas of need more information please contact: [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk)



Bonn

## B. SYMBOLIC OFFLINE ACTION/ PHOTO STUNT

During this year's Global Week of Action, we are asking all participating organisations to undertake a simple and fun offline activity that demonstrates the breadth of the international Robin Hood Tax movement and generates photos that can be shared online and spread the campaign message.

We are proposing that partners organise simple photo stunts of a national approach to Robin Hood in your own country – for example with Robin wearing elements of traditional clothing (e.g. a kilt in Scotland or a sari in India), or through national symbols or in famous locations in your country. These images will be collated to demonstrate the passion, creativity and support of Robin Hood Tax campaigners around the world, and help to spread the campaign online.

To help you with some ideas, on this page are examples of photo-stunts that took place last year:

We can also provide partners with Robin Hood Tax banners and hats that can be used for your photo-stunts. If you would like us to send you these, please email Leila Zadeh at LZadeh@oxfam.org.uk, so that we can dispatch to you before the start of the Global Week of Action.

Once you've completed your photo stunt please let us know so we can shout about it, and the whole world can see the breadth of support for this great idea. We'll create round up content of slideshows, poster images and blogs for you to share back to your audience.

There are a few ways to do this, so please pick what is easiest for you:

- Email your photos and your PR blog to [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk);
- Upload them to your sites and online spaces and send the URL to [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk);
- Use the Global Week of Action 'YouSendIt' account. It's really straight forward to access!
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Australia



Senegal



Germany



United Kingdom

## C. MEDIA RESOURCES

• **FTT Opinion Poll:** the International Trade Union Congress (ITUC) is conducting opinion polling in a number of countries and one question will focus on the FTT. We hope the polls will provide more evidence of the general public's overwhelming support for the Robin Hood Tax, which can be cited in national press releases for the week of action. The exact details on when the results will be available are being finalised, but once available they can provide added gravity to any media work.

• **Blog:** A blog will also be submitted to the *Huffington Post* that highlights the Robin Hood Tax Global Week of Action;

Simon Chouffot (Chouf) is the media lead for the Global Week of Action Campaign, so any media enquiries or requests for the template Press Release should be directed to him at [simon@robinhoodtax.org.uk](mailto:simon@robinhoodtax.org.uk).

These media products are also available to download from the Global Week of Action 'YouSendIt' account. It's really straight forward to access!

- Go to <https://www.yousendit.com/>
- Email: [anna@robinhoodtax.org.uk](mailto:anna@robinhoodtax.org.uk)

- Password: robinhood
- Once logged in click on folders on the top menu. You'll see a list of well labelled files, click and download what you need.

## D. LOGOS AND BANNERS

We have also designed a generic "Robin Hood Tax Global Week of Action Campaign" logo which you will be able to download from the Global Week of Action 'YouSendIt' account. Go to <https://www.yousendit.com/>; email [anna@robinhoodtax.org](mailto:anna@robinhoodtax.org) and use the following password: robinhood.

These logos can be used on your stunt material, lobby letter, websites, press releases and on your social network hubs.



We can also provide partners with Robin Hood Tax banners and hats that can be used for your photo-stunts. If you would like us to send you these, please email Leila Zadeh at [LZadeh@oxfam.org.uk](mailto:LZadeh@oxfam.org.uk), so that we can dispatch to you before the start of the Global Week of Action.

# GLOBAL WEEK OF ACTION

→ THEROBINHOODTAX →



Denmark

## E. LOBBY LETTER

The following draft lobby letter can be used, or adapted, by you and your partners to send to the Ambassadors of France, Germany, Spain, Italy and the Netherlands in your country. Feel free to use the “Robin Hood Tax Global Week of Action Campaign” logo on your letterhead.

[Insert address of recipient]

[Insert date DD/MM/YY]

Dear Ambassador,

Subject: G8 and EU - Take Action on Robin Hood Tax

In advance of the G8 Summit and EU negotiations on Financial Transaction Tax (FTT), our organisations are writing to stress the importance of the [insert French / German / Spanish / Italian/ Dutch as appropriate] government’s commitment to advocate for a comprehensive FTT in Europe, alongside confirming that a proportion of the revenues from a FTT will go to tackling poverty at home and abroad and addressing the impact of climate change.

As you know, the economic crisis caused by the financial sector has brought misery to millions of ordinary people yet record profits and bonuses continue. We believe that financial transaction taxes are a practical way to generate revenues needed to pay for or protect global public goods like education, health and the environment; and discourage the type of short-term financial speculation that has little social value but poses high risks to the economy.

Last year saw significant progress under the French Presidency of the G20, especially to ensure new sources of funding for development and climate change at home and abroad. This message has been supported by the African Union, leaders of low income Francophone countries and key South American countries, namely Brazil and Argentina. The political momentum has continued into 2012, with a number of European governments, including your own, now considering the implementation of an FTT.

This week, campaigners from around the world are uniting to call for a Robin Hood Tax. The campaign has seen over half a million people take action from 45 countries around the world. It is supported by leading economists including Nobel Prize winners Joseph Stiglitz, Paul Krugman, Jeffrey Sachs and 1,000 other economists. Prominent public figures have also declared support including Bill Gates; Ban Ki Moon, Kofi Annan, Al Gore and Gordon Brown, alongside 1000 parliamentarians from 30 countries and key financial voices, such as George Soros and Warren Buffet.

As part of the campaign’s Global Week of Action, we would like you to convey the following two messages from civil society in [your country] to the highest levels in the government in [Ambassador’s country] for the forthcoming meetings of the G8 and European Member States:

- We call for [Ambassador’s country] leadership to accelerate progress towards a joint and comprehensive FTT by a first wave of countries. Many intergovernmental working groups and feasibility reports have confirmed that this is possible. This action will set a precedent for future taxes on the financial sector, both across Europe and internationally.
- Civil society fully supports using the revenue from an FTT to tackle poverty and climate change. The FTT presents a once-in-a-century opportunity for the world to finally create an innovative financing mechanism to meet its biggest challenges – this is an opportunity that [Ambassador’s country] should back wholeheartedly.

Thank you for forwarding these messages to the government in [Ambassador’s country]. We would welcome the opportunity to meet with you to discuss this important issue in more detail.

We look forward to hearing from you.

Yours sincerely,

[Insert list of signatory organisations]

## **F. UNDERSTANDING THE FTT**

### **What is a financial transaction tax (FTT)?**

FTTs are a small tax on the purchase/sale or transfer of the four main financial asset classes: equities, bonds, foreign exchange and their derivatives. The European Commission proposes a tax rate of 0.1% on equities and bonds and 0.01% on derivatives. The Leading Group suggests a 0.005% tax on foreign exchange.

### **Why an FTT and why now?**

The costs of the financial crisis have been huge. As of the end of December 2009 the amount spent on bank bail-outs by advanced G-20 economies was equivalent to 6.2% of world GDP - \$1,976 billion (IMF, 2010). Yet in Europe and the US, it has been ordinary citizens who have borne the costs with job losses and cuts to public services. In developing countries, who also did nothing to cause the crisis, the cost has been far more severe with funds for health, development, infrastructure and climate change being cut or suspended.

The Financial Transaction Tax (FTT) is today a widely discussed policy option that would generate substantial new revenue from the currently under-taxed financial sector - helping to redistribute some of the money from those who caused the financial crisis to those who had the least to do with it but are suffering its effects the most. An EU-wide FTT (excluding currency) would generate €57 billion a year and an FTT covering all asset classes and rolled out across all developed countries would generate almost \$300 billion annually. Whichever way you do the calculations we are talking about substantial revenues that could make a real impact on significant development, health and climate change challenges, alongside offsetting the social and economic impact of austerity.

Importantly, the FTT would also help to regulate markets, curbing speculative market behavior and short-termism, and instead encourage more sustainable and equitable long-term economic performance.

Yet despite this, and the growing international support for the FTT, opponents continue to peddle a series of 'myths' concerning its impact. The following key points detailed below can aid discussion and answer questions and help dispel these myths.

### **1) How would revenue from FTTs be spent?**

Country campaigns working for FTTs sometimes differ in emphasis between how exactly they would want revenues to be spent. However, there is broad consensus that revenue raised through an FTT should be spent internationally on combating poverty, climate change and health challenges in addition to protecting public services and jobs at home.

### **2) FTTs would not be passed on to ordinary people -they would be progressive**

The FTT will be paid, first and foremost, by the principal buyers/sellers of financial assets - banks and other financial institutions, such as hedge funds, whose clients are often high-net-worth individuals. Ordinary people, by and large, do not trade assets such as bonds and derivatives and therefore will not experience the impact of an FTT.

In contrast, it is businesses, who are constantly trading as opposed to making a one-off purchase as an investment, rather than individuals who will consequently pay the most in tax from an FTT. The greater the frequency of the transactions, the greater the tax bill. Most particularly, the FTT will have an impact on High Frequency Trading (HFT), which is regarded as a good outcome by many economists who believe HFT is disruptive and risky and should either be regulated against or considerably reduced in size.

The IMF has studied who will end up paying FTTs, concluding that they would be "quite progressive". This means they would fall on the richest institutions and individuals in society, in a similar way to capital gains tax. This is in complete contrast to VAT, or sales tax, which falls disproportionately on the poorest people.

### **3) Financial institutions can afford to pay - it is only fair that they pay their share**

In 2008, a report by respected research institution, McKinsey, revealed that banks profits per employee are 26 times the average for all other sectors. Before the recession, global hedge fund profits were \$300 - \$600 billion per annum, while bank profits were around \$800 billion per annum and expected to double within ten years.

It is also worth noting that the financial sector is currently under taxed. For example, according to the European Commission, the sector enjoys a tax advantage worth approximately €18 billion a year due to its exemption from VAT.

The huge profits of the financial sector, coupled with its tax advantage, is one of the reasons the financial sector ought to, and can afford to be, taxed more.

### **4) FTTs would reduce speculation and casino-style high frequency trading (HFT) - leading to more stable financial markets and higher long-term economic growth.**

Some argue that beyond raising lots of cash, FTTs will reduce market volatility by discouraging High Frequency Trading. HFT enables traders to trade ahead of predicted orders and make huge gambles on small changes in product price that exist for only a short period of time. By increasing the costs of speculative trading, a well-designed FTT could reduce this destabilizing effect that HFT has on the market.

According to new research by leading economists Stephany Griffiths-Jones and Avinash Persaud, published in March 2012, the stabilising effect of an FTT would help reduce the risk of future crises and lead to significantly higher long-term growth. They conclude that an EU wide FTT would increase GDP by 0.25%.

**5) FTTs do not need to be global to work – ftt's are commonplace and can be implemented unilaterally or by a coalition of the willing, without an exodus of financial institutions**

Unilateral FTTs already exist in countries like Brazil, South Africa, India, the United Kingdom and the United States raising substantial amounts of revenue. This proves beyond doubt that unilateral FTTs, with no international agreement, are perfectly feasible in practice. A good example is the UK's FTT on share transactions, which raises in the region of \$5 billion for the finance ministry each year without a significant loss of business from the UK. Brazil currently taxes transactions of various assets at varying rates raising \$15 billion in 2010. Moreover, in a March 2011 working paper, the IMF confirms that FTTs "do not automatically drive out financial activity to an unacceptable extent".

**6) FTTs would be simple and inexpensive to implement.**

FTTs are simple to implement because of the almost complete automation of financial transactions. One of the lessons learnt from the more than 40 FTTs that have been implemented, either permanently or temporarily, around the world is that collection costs are low. For example, the UK government's FTT on shares (the Stamp Duty) costs only 0.21 pence per pound to collect. In contrast, income tax costs 1.24 pence and corporation tax 0.76 pence per pound collected.

**7) Major international organisations and many high profile political and economic leaders support FTTs**

The FTT has gained substantial backing over the last two years. Extremely prominent advocates have declared support, not least the founder of Microsoft, philanthropist, Bill Gates, whose report to the G20 Leaders in November 2011, specifically recommended FTTs. Other big names include: George Soros, Al Gore, Ban Ki Moon and Kofi Annan. The FTT was endorsed in 2011 by 1,000 leading economists, including Nobel prize winners Joseph Stiglitz and Paul Krugman, and 1,000 parliamentarians from 30 countries. Momentum built up through 2011 and at the G20 Summit, Argentina, Brazil, France, Germany and South Africa declared their support.

Presently, there is a strong initiative for an FTT in Europe. FTT legislation has been tabled by the European Commission (EC) and 9-EU countries are pushing for this to be fast-tracked: France, Germany, Spain, Italy, Portugal, Greece, Austria, Belgium

and Finland. France has been prepared to put its money where its mouth is by passing unilateral FTT legislation in February 2012 modelled on the UK's stamp duty on shares.

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