

# Independent Commission Calls for a Just and Equitable Global Tax System

**04 June 2015**

**An independent commission on international tax reform initiated by a coalition of organizations including the World Council of Churches (WCC) is calling for an overhaul of the global taxation system to alleviate poverty in developing nations including the Democratic Republic of Congo.**

To cite one example illustrative of the current situation, the Kamoto Copper Company (KCC) – a subsidiary of Glencore, a mining and commodity trading giant – systematically recorded losses in the Democratic Republic of Congo (DRC) since 2008 despite strong production. A 2014 study conducted by Bread for All, Fastenopfer and Rights and Accountability in Development, presented at the recently concluded International Conference on Peace and Security in the DRC organized by the World Council of Churches, traced the losses to significant interest payments on debt made to five parent companies registered in tax havens. In short, though KCC registered losses in the DRC, its parent companies controlled by Glencore made considerable gains for its overseas investors.

The practice of shifting profits to offshore jurisdictions allows multinationals like Glencore to avoid paying fair taxes on profit and dividends.

As a result, according to the aforementioned study, Congolese citizens lost an estimated US\$ 153.7 million from KCC alone since 2009. Such amounts could have been used to build much-needed schools, hospitals and basic infrastructure in a resource-endowed but poverty-stricken nation, bemoaned church representatives at last week's gathering on the DRC.

The practice is legal and reflects deep flaws in the global system of taxation.

On 02 June at the 2015 Trento Economics Festival, the Independent Commission for the Reform of International Corporate Taxation (ICRICT) launched a timely declaration calling for an overhaul of the global tax system.

"This debate centres on equity...equity between capital and labor, equity between the rich and those living in poverty, as well as equity...between developed and developing countries," said ICRICT chair José Antonio Ocampo, former United Nations (UN) under-secretary general and former minister of finance of Colombia. "International corporate tax reforms should be considered from a global public interest perspective rather than...corporate advantage."

Key recommendations from the ICRICT include:

- Tax multinationals as single firms with developed countries imposing a minimum corporate income tax rate during the transition;
- Curb tax competition to prevent a race to the bottom;
- Increase public transparency of taxes paid by multinationals; and
- Build inclusivity into international tax cooperation by establishing an intergovernmental tax body within the UN and begin drafting a UN convention to combat abusive tax practices.

The ICRICT Declaration is as an important input to the 3<sup>rd</sup> International Conference on Financing for Development to be convened by the UN from 13 to 16 July in Addis Ababa.

Initiated by a consortium of civil society organizations including the WCC, ICRICT is composed of public leaders and economists comprising, among others, Rev. Suzanne Matala, general secretary of the Council of Churches in Zambia, and Manuel Montes, an economist at the South Center and a member of the Ecumenical Panel on a New International Financial and Economic Architecture.

"The ICRICT's proposals aim to ensure that multinational corporations such as Glencore pay their fair share of taxes so that countries like the DRC can mobilize resources to eradicate poverty," said Athena Peralta, consultant for the Economic and Ecological Justice Programme at the WCC. Tackling corporate tax evasion and avoidance is one of the action points identified in "Economy of Life for All Now: An Ecumenical Action Plan for a New International Financial and Economic Architecture" and the "Sao Paulo Statement: International Financial Transformation for an Economy of Life."

## Philippine bishops urge voters to reject corrupt politicians

2015-06-08 Vatican Radio

The Catholic bishops of the Philippines are urging their voters to reject "notoriously corrupt" politicians running in next year's national elections. In a pastoral letter read out in churches on Sunday, the Church leaders sought to remind the electorate that voting is not merely a political right, but "a moral obligation". The letter which was signed by Archbishop Socrates Villegas, president of the Catholic Bishops' Conference of the Philippines (CBCP), called on the public to "vote for the right reasons ... because you trust a person to lead the community and to lead the country." The bishops also urged voters to end political dynasties by not voting for candidates from the same family who want to perpetuate the family's hold on public office. "There is no monopoly on ability for government, and truly no one in government is indispensable," the bishops said. The bishops cited criticisms that previous Church efforts to educate voters had come too late to be effective. "It may never be again said that we spoke too late," the letter stated.

The bishops nevertheless warned the electorate not to jump to conclusions "in the absence of incontrovertible evidence". "These days, one's reputation, so painstakingly built by sincerity and honesty over the years, can so easily be tarnished by the truly evil work of 'spin-doctors' in the payroll of one or the other political aspirant," the pastoral letter said.

Last month, Philippine Church leaders launched a campaign against "vote buying" and "vote selling", dubbed "Thou Shall Not Steal". In 2013, the country's Catholic bishops questioned the results of national elections due to reports of rampant vote fraud. The National Secretariat for Social Action of the bishops' conference said those elections made "a mockery of the country's democracy." The bishops noted that although the elections were relatively peaceful, there were "glaring discrepancies and election violations". (Source: UCAN)(from Vatican Radio).

## **Kirchentag in Germany. June 3-7, 2015**

2500 events within five days. 100,000 fulltime visitors. 30,000 active participants. This is the German Protestant Kirchentag. But Kirchentag is more than statistics.

### **Kirchentag Themes**

*"That we may become wise" (Ps 90:12)*

The theme for the German Protestant Kirchentag in Stuttgart is "That we may become wise". The quote from Psalm 90 will lead the preparations for the fourth Kirchentag in the capital of Baden Württemberg.

The topics of sustainable thinking and "wise" economics bear a special significance for a Kirchentag in a city like Stuttgart, which houses both several large corporations and many family-owned businesses.

### *Faith as a Source of Wisdom*

"An affirmation of God is an affirmation of a finite life which demands to be lived wisely." This also means the theme is not an arrogant recommendation from the educated to everyone else. It encourages a protestant self-criticism. "We are not wise, but together we may become wise."

### *Switching Gears*

The theme is also one of disruption. "It calls on us to shift gears in our lives and our routines, in our daily treadmills on the fast lane. To question ourselves and the lives we lead. Together with the topics, the Kirchentag Präsidium has decided upon texts for services and bible studies. ce and economic actions.

### *Guilt and reconciliation, education and economic responsibility*

are three topics the Kirchentag in Stuttgart wants to foreground. Another topic that will be felt throughout all events, is the global challenge of a rapidly changing world. And, of course, it all goes back to the theme, "that we may become wise".

The complete thematic programme, which is created by more than 30 committees, unfolds in the following categories: theology and spirituality; church and congregation; interreligious dialogue; society and education; global

challenges; environment, economics, transformation; ways of life and living together. In addition to the discussion of topical questions on panels and in centres, the capital of Baden-Württemberg will offer a multitude of spiritual and cultural choices.

### **Joyful Festival for Everyone**

It is a platform for intensive discussion, a forum for critical debate about current questions. It is a huge event which takes place every two years in early summer and is a joyful festival for everyone.

### **International Guests**

Participants come from everywhere: From all over Germany and indeed from all over the world. Most of the visitors are younger than 30 years. Many of them go to school or are university students. About half of them are visiting the event for the first time. For the remaining half it's their second, third or fourth visit.

### *Experiences for all Senses*

Every two years, Kirchentag provides opportunities for thousands of people to dip into the attitude to life of a new host city for the festival. Unknown songwriters and amateur cabaret artists contribute to it alongside high-profile personalities from the worlds of politics, science, art, business and Church. Within the same day, Kirchentag visitors can first go to a Techno-mass, attend a meditation session afterwards, then listen to a classical concert, followed by a rock-concert, and sit through a panel discussion between leading politicians. In between, there's time to let mind and soul unwind in the sunshine of the green open air locations.

### *A Lay Movement Growing from the Grassroots*

The Kirchentag is a Lay movement. It grows from the grass roots and is not prescribed from above. Thousands of visitors are also active co-workers. In this way, each Kirchentag becomes a festival for all. Nationality and religious allegiance are irrelevant. Even though the huge event bears the official name "Protestant".

### *As old as Germany*

The German Protestant Kirchentag is the same age as the German Federal Republic. The Kirchentag was founded in 1949 by Reinold von Thadden-Trieglaff together with some of his friends in Hannover – as a movement of Protestant lay people. For them, the independence from official state Church was just as important as their Christian faith, which combines spirituality with a responsibility towards society and the world.

Even in a divided Germany, church work remained united until 1961. Alongside the Protestant Kirchentag in West Germany, its counterpart in the GDR stayed active as well. Two years after the Berlin Wall fell in 1989, the Kirchentag movements in East and West united once again.

### *New Expressions of Faith*

Many initiatives and proposals have come out of the German Protestant Kirchentag. In 1961, it started the dialogue between Jews and Christians in Germany. In the 1970s, new forms of worship e. g. Liturgical Nights, Celebratory Communion Services and Evening Prayers, together with modern church hymns and songs, led visitors to discover new expressions of faith. And the discussions about peace and environmentalism which shaped Germany in the 1980s also had their beginnings largely at the Kirchentag.

# Voices from the Christian Conference of Asia Assembly

**11 June 2015**

*By Claus Grue*

More than 400 representatives of member churches and partner bodies from 28 countries in Asia, Australia and New Zealand, headed home on 27 May from an exciting week in Jakarta, Indonesia after attending the Christian Conference of Asia's (CCA) 14th General Assembly.

Along with agenda formalities, such as reviewing the work of the CCA in the past five years, amending its constitution and electing new members to committees, the Assembly was a dialogue and discussions forum. The theme "Living together in the Household of God" provided opportunities for networking, sharing knowledge, ideas and concerns, a perfect venue for renewing old acquaintances and meeting new friends from near and far.

The member churches in the CCA represent the diversity of the Asia Pacific region with voices from areas such as East Asia, South Asia, South East Asia and Australasia.

Voices from the Assembly:

## Connecting with local church life

Korean ecumenist Rev. Dr Min Heui Cheon sees connecting regional church groups meetings with the local church life as a challenge.

Dr Min is Executive Secretary, Ecumenical Relations Department at The Presbyterian Church in The Republic of Korea.

"Local communities are where the work is done and we need to connect with the grassroots, then pilgrimage of justice and peace can be a reality," she says.

## Developing relations to help deal with global issues

Relations developed at CCA conferences help in dealing with global crises, says Rev. Arshad Gill, general secretary of Presbyterian Church in Pakistan. The church has some 300,000 members in Muslim-dominated Pakistan where Christianity is the largest minority religion.

"Relations developed in conferences like this are important in order to deal with global crises and issues and sharing faith and worship," says Gill. Representing 350 pastors, mainly in rural areas in Pakistan, he feels good about the spiritual support from fellow Christians.

And Gill mentions plenty of urgent projects in Pakistan, such as schools, sewing centres, elimination of illiteracy, agricultural projects, etc. that need to be dealt with.

"The interfaith work is of course very important as well," he notes.

## Widening horizons to gain awareness of the world

For Indonesian pastor, Rev. H.W.B. Sumakul, regional meetings such as the CCA Assembly help him to find ways to counter the effects of globalization.

Sumakul is president of the Synod executive Board of The Christian Evangelical Church in Minahasa, Northern Sulawesi, Indonesia, and feels it is critical to continue to strengthen relationships within the CCA.

"It is important in terms of enriching and widening our horizons of ministry to be aware of what's going on in the world, especially in Asia.

"I appreciate the awareness of different issues that has emerged through the CCA, but a lot of work remains to be done regarding the implementation of programmes where there is room for improvements in terms of control and follow-up," he says.

He asserts there is a need to find ways of coping with and countering the "effects of globalization, such as growing tensions, HIV, etc.

"We must be alert internationally about radical movements and we must push governments to do their best to protect citizens, with support from the church," says Sumakul.

The church must also be engaged in upgrading the social and economic level of society, because poverty breeds criminality.

#### **Taking home signals from Asia**

The Rev. Andrew Norton, from the Presbyterian Church of Aotearoa New Zealand, says he brings back home from the CCA Assembly a powerful signal for New Zealand to be seen as part of Asia.

"The issues Asia is facing are ones that we are all facing, like the radicalization of religion, which shouldn't be neglected in New Zealand.

"Being part of the CCA means that we stay together on these issues. A united voice from the CCA will be vital against oppressive regimes in Asia. It is vital for New Zealand to take part in that conversation," asserts Norton.

He sees the conversations and networking are of prime value at the conference.

"In terms of business I see a need for the CCA to be reformed from top down, which hopefully will happen with the new constitution," he says.