

WHO'S ROBBIN' WHO?



The current parliament staggers towards its own lamentable end. As it does, I have been trying to reflect on what the last eighteen years has meant to me, as the elected representative of 'Robin Hood Land' in Nottingham South. Throughout this time Nottingham Castle has looked down upon my constituency office in the city centre. At its foot stands the statue of Robin Hood; a permanent reminder of the age old question - do we transfer wealth in favour of the poor or use it to prop up the rich?

I ask this now because I've just signed on as a campaign supporter of the Robin Hood tax. Anyone interested should look at the short Bill Nighy video on their website - www.robinhoodtax.org.uk - and get themselves on board.

I've been banging on about what has been traditionally referred to as the 'Tobin Tax' (after economist James Tobin) for a long time before entering parliament. The argument against it was always that you could never introduce the tax in a single country. Speculators, like gamblers, would simply move their activities to safer havens. Over the last twenty years the argument against a Tobin Tax moved from the practical to the evangelical. The world was to be taken into an era of everlasting growth, driven by the deregulation of everything. 'Rock'n'roll, anything-goes' capitalism became a theology of greed; the elevation of instant individualised consumption to the level of ideology and addiction. How different the world looks as we stand within its ruins.

The world faces some incredibly tough decisions in the decade ahead. Global leaders believe that we have no choice other than to unleash major austerity programs upon the poor. In this way, the world would be made to atone for the sins of the rich. The Robin Hood Tax campaign is a timely reminder that we have other choices.


For the uninitiated, let me just outline what this means. It is currently estimated that a tax of 0.05% on all speculative financial transactions would raise a global sum of somewhere between £100 billion and £300 billion each year. No one needs to be greedy about this. It is a sum capable of embracing the development and climate change agendas of the global South, at the same time as avoiding austerity measures in the industrial North. It is an attempt to do, on a 21st century international scale, what Robin Hood did, more locally, from the 13th century.

Anyone wanting to understand the urgency of this campaign should just read the recent Financial Times' lead article - "Traders make \$8bn bet against euro." It described how financial traders and hedge fund managers have been gambling heavily on a fall in the value of the euro. This comes in the face of economic crises in Greece, Portugal, Spain, Italy and Ireland. Greece itself is seen as the trigger point for what could be the collapse of the European single currency. The Euro is not the issue. Speculators could turn on the UK as easily as they have on Greece. It is a warning about where casino economics ends up.

Traders wrap their casino activity up under the anodyne heading of 'short-selling.' It is a process that involves borrowing stocks and bonds which traders do not own, then seeking to sell them in a coordinated way that drives down the value of the currency. At that point traders buy back the currency, at a lower price, and return the (devalued) stocks and bonds into the market. If the 'ganging-up' process works in creating a panic, this is a sure fire way of making big money for speculators. It also drives nation states from one crisis to another.

I have no desire to take Britain into the single currency. I do, however, have an interest though in avoiding the whole of Europe being dragged into crisis. International action to support the EU will be swept aside by the sheer scale of speculative gambling against it. Moreover, what this confirms is that the financial services sector have learnt nothing from the last crisis they dropped us into. There is still an addiction to casino economics that could bankrupt everyone. Gordon Brown is right to be pushing for an international 'Robin Hood Tax' to stop them doing so. The tragedy is that he does not apply the same logic to the economy he directly presides over.

Britain's coming General Election looks set to be an argument one appears willing to address the core of the UK's problem about controlling bonuses without ever recognising that bonuses are derived from gambling rather than banking. Take the wealth back into the real world and you diminish the power of speculators. Return it to those who (as ever) will have to build their way out of today's mess and you have a manifesto for recovery.

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Just up the hill from my office Robin Hood points his arrow towards the castle gates; a reminder of the fundamental redistribution of wealth, from rich to poor, that we have to pursue. It seems only fitting that the Robin Hood Tax campaign should lift this to the international stage. It is a challenge that was there long before I entered parliament. It will be there long after I've gone; a fitting reminder of what society itself still has to address.