

Report from the Joffe Trust's Strategic Retreat, 21st – 23rd Jan 2019

11th February 2019

Executive Summary

The Joffe Trust convened a strategic retreat of UK civil society organisations tackling global corruption and tax abuse, held from 21st – 23rd Jan 2019. The participants included senior staff from leading civil society organisations with input from expert speakers. The purpose was to identify future directions for their work over the next five years.

The analysis developed during the retreat is summarised in twelve points:

1. Recent successes by a range of committed organisations provide good foundations to scale up and achieve fundamental change.
2. Success at scale depends on planning, working and reflecting collaboratively, across organisations.
3. Anti-corruption and tax justice campaigners benefit from identifying common objectives to pursue together, but do not share all their strategic goals.
4. The right 'north star' high level goals could inspire more action, collaboration and impact.
5. There is an urgent need for mass public engagement on corruption and tax, to "change the weather" of public attitudes.
6. The academic evidence base needs to be strengthened.
7. We need to ensure that a stream of impactful investigations continues.
8. Existing laws need to be better enforced, with more successful prosecutions.
9. Many important policy reforms need to be pursued.
10. It is time to tackle the professional enablers.
11. UK civil society organisations should stay engaged internationally.
12. UK civil society needs to become significantly stronger in order to carry out the work outlined above and achieve its potential impact.

Participants developed content for two key outputs: 'north star' high level goals and a joint proposal. The proposal sets out initial plans for an additional £12m pa investment in UK civil society in order to achieve the north star goals and implement the analysis described in this report. See the two drafts attached.

Next steps:

- a) Use the shared analysis and relationships developed in this meeting to inform strategic and operational work.
- b) Finalise the two key outputs, the 'north star' goals and joint proposal, and use them as the basis for further planning & fundraising.
- c) Hold a conference call to discuss this report, next steps & a timeline. Repeat as useful.
- d) Discuss this report and outputs with donors and other stakeholders.
- e) Consider repeating the retreat in a year's time.

Full report

Contents:

- Introduction
- Process
- Headlines
- Next steps
- Costs
- Feedback
- Participants

Introduction

This report summarises the process and headline findings from a strategic retreat of UK civil society organisations tackling global corruption and tax abuse. The retreat was organised by the Joffe Charitable Trust at Missenden Abbey on 21 – 23rd Jan 2019.

The objectives of the retreat were stated in advance as:

- Strengthening strategic understanding and co-operation among UK civil society leaders working on tax justice and anti-corruption.
- Identify ambitious results that UK civil society could achieve in the next five years.
- Identify how to strengthen UK civil society in order to achieve those results.

Process

The concept of the retreat came from initial conversations with a number of participants during 2018. They were discussing strategic options for their own organisations and recognised that their choices were closely related to other organisations' strategic choices. They also recognised that achieving their strategic goals depended on collaboration with many other actors, and that current capacity to tackle these issues across UK civil society was inadequate compared to the scale of the task.

The agenda, external speakers and final list of people to invite was developed in dialogue with participants. An experienced facilitator, Jennie Richmond, was appointed. Two background papers were prepared in advance with input from participants:

- [Tables of UK civil society organisations tackling global corruption & tax abuse](#)
- [Background Note](#), setting out current strategic issues for corruption and tax abuse.

The retreat was residential and ran from the evening of Mon 21st Jan to 5.30pm on Weds 23rd Jan. The agenda was adapted during the course of the retreat. It included a variety of participatory sessions, covering:

- Reflections from recent experience.

- Political dynamics & public engagement.
- Visioning for civil society.
- High level planning in specific areas.
- Inputs from three experts: Richard Brooks from Private Eye (on strategic challenges), Andrew Cooper from Populus (on public opinion and political dynamics), Phil Mason from DFID (on effective advocacy).

Headlines

On the first morning, participants identified the following aims for the retreat:

- Improve collaboration, including by building trust and shared analysis, and identifying differences.
- Improve understanding of the UK ecosystem working on these issues and common challenges.
- Develop shared strategic vision and plans across civil society organisations, behind which to align resources.
- Inform organisations' own strategic plans and work.
- Test and learn from the idea of this kind of retreat.

The resulting discussions and analysis are summarised in twelve headline points below. This report provides a synthesis across sessions and speakers. Please see the unedited notes for further detail.

1. *Recent successes by a range of committed organisations provide good foundations to scale up and achieve fundamental change.*

The last decade has seen the issues of corruption and tax abuse incontrovertibly brought into public debate. All media outlets regularly cover them. Politicians cannot escape them. They are associated with major agendas, such as fighting inequality, national security and national prosperity.

The UK is a global leader in many aspects of fighting corruption. The 2016 Anti Corruption Summit was a unique global event, and the government's Anti Corruption Strategy sets out a fairly comprehensive plan. At the same time, the UK continues to enable and profit from a great deal of global corruption and tax abuse, not least through the City and our tax havens.

British civil society organisations are widely respected as having played a highly influential role to date. They have been at the forefront of reforms such as the UK's Bribery Act, enhancing transparency and country-by-country reporting. They have good political access and areas of deep expertise. There is a spirit of collaboration among them as well as with allies such as media organisations and in the global south.

There is a great deal of work still to be done. Existing laws are not yet fully implemented or consistently enforced and further reforms are necessary, as vividly illustrated by the Paradise Papers. The UK tax gap is estimated at between £33 - 120bn. Globally, the revenue lost to tax abuse is estimated at hundreds of billions, dwarfing aid. Over the last 30 years, TI UK found that

companies registered in the UK's Overseas Territories have aided £250bn of corruption. The NCA estimates that "hundreds of billions of pounds of international criminal money" is laundered through the UK each year. While we have won some notable battles, it is not clear that we are winning the war.

2. *Success at scale depends on planning, working and reflecting collaboratively, across organisations.*

Box 1. Beneficial Ownership in the UK's Overseas Territories

Participants reflected on the work that led to parliament legislating in May 2018 for the UK's Overseas Territories to introduce public registers of the beneficial owners of their companies.

This success depended on work by many people over two decades, including:

- Sustained media interest in the role of tax havens, drawing on major leaks, and associated books & TV programmes.
- Sustained and committed leadership by many champions, including: activists in small & large campaigning organisations, journalists, civil servants, academics and politicians across parties.
- Aligned work by major international institutions including the EU, OECD, World Bank, the Open Government Partnership & FATF.
- Favourable political conditions around G8 meetings and the UK parliamentary vote itself, heavily influenced by unpredictable events including: the 2008 financial crash, the UK's 2017 minority government and the 2018 Salisbury attacks.

This was a major collective effort that coalesced around a single, totemic goal. The goal was consistently promoted as a practical solution to problems that became increasingly urgent in public & political debate. Activists stayed in touch with each other, with some organised coordination. The goal was actively opposed by various interests, as well as by inertia and complacency. Until very recently, many people thought it was unachievable. The goal is associated with much wider international adoption of the same reform.

The focus on this goal created a major opportunity cost in terms of not pursuing other work. The goal is incomplete and still contested. A great deal of work needs to be done to enforce the legislation effectively and to broaden it out to other jurisdictions, which will continue to require a major proportion of available civil society capacity. Collective effort is already starting to dissipate, after recent success.

The reform is not proven as a way (or the best way) to reduce corruption & tax abuse. The collective effort was focused on the specific reform, not broader ultimate aims.

As demonstrated in Box 1, this single reform depended on a great deal of collaborative work by many committed people. The political, economic and

international issues were too complicated for any single organisation to handle on its own.

Some mechanisms for coordination exist (such as the Bond Anti-Corruption group, the Global Alliance on Tax Justice and informal groups). But they lack consistent leadership, membership and resourcing. Activists' personal networks are generally strong, nationally and internationally.

Organisations risk falling into 'group think', with the potential to focus on tactical goals rather than deeper progress. It is important to step back from time to time, to reflect on what's working, share experience and improve for the future.

3. Anti-corruption and tax justice campaigners benefit from identifying common objectives to pursue together, but do not share all their strategic goals.

In the UK, the anti-corruption movement and the tax justice movement are both small. They pursue some overlapping goals and have worked well together. Each lacks critical mass on its own, and so they can benefit from reflecting on their work together, for instance at this retreat.

Both movements share the high level aspiration of fairly funded government that regulates private action for public good. However, they have different strategic goals, such as: reducing the role the UK plays in enabling global corruption and / or tax abuse, clamping down on corruption in the UK and reforming the UK & global tax system.

There are significant overlaps among their policy asks and the actors they work with. For instance, both campaign for: greater transparency, stronger regulatory / enforcement bodies, better regulation of lobbying and (increasingly) to reform professional enablers. These could be seen as drivers of effective government in the public interest, in opposition to unconstrained private sector interests. Both can also span the main left-right political divide and collaborate with the same sympathetic politicians.

There are also significant divergences. For instance, anti-corruption campaigners work to enforce the Bribery Act and enhance corporate liability. Tax justice campaigners pursue Country-by-Country reporting and wealth taxes.

It would be valuable to continue to identify areas of overlap on an on-going basis, while remaining clear about different overall goals, and avoiding the risk of trying to 'shoe-horn' work together inappropriately.

4. The right 'north star' high level goals could inspire more action, collaboration and impact.

Inspiring high level goals could become 'north stars' for activists to coalesce around. Transparency of beneficial ownership has become a totemic 'north star' goal, enabling a great deal of independently initiated collaboration and progress. Ideally 'north star' goals would be inspiring, broad enough to bring different

actors together, specific enough to be measurable and simple enough to communicate. They would enable organic connections between different actors working on different aspects of the common effort, for instance across public engagement, policy reform, investigations and others.

For instance, could we find equivalents to the totemic environmental goal of limiting global warming to 1.5 degrees? This is a tall order. Participants discussed a number of options, including identifying different 'north star' goals for the different strategic areas mentioned above. Participants felt that it would be worth further work to develop 'north star' goals.

See attached document for content: Ideas for North Star Goals, 7th Feb 2019.

5. *There is an urgent need for mass public engagement on corruption and tax, to "change the weather" of public attitudes.*

Public opinion will ultimately drive more change than policy reform alone and help to ensure that reform successes translate into sustainable changes in behaviour. Public opinion will influence political priorities and can change norms across society about what behaviour is acceptable (or can be got away with). Civil society to date has focused more on policy reform. It is an urgent priority to build mass public engagement on these issues.

Corruption and tax abuse need to be given a human face and connected to the tangible things that matter in people's lives (e.g. education and the NHS). Civil society should build alliances with others, including unions, national charities and supportive business people. We should work with 'real world' champions and speak with a more unified voice about how the world should work, including the idea that government and good regulation is the answer. This is in opposition to 'small government' opponents who have created such a powerful contrary public narrative.

On the tax side, we should create a positive narrative and norm that paying tax is a good thing, as a central aspect of the social contract and contribution to a good society. On the corruption side, we should establish the importance and norm of acting in a balanced way for the public good, rather than only focusing on maximising private gain. We should aggressively target deliberate misinformation and rebut free market lobbyists like the Institute of Economic Affairs and the TaxPayers Alliance.

There is limited bandwidth for public engagement. In order to cut through, a small number of strong, mutually-reinforcing messages will need to consistently promoted by a variety of organisations. They will need to be pitched at the right level: neither too bland, nor too detailed. They will need to be connected to other areas of work, including investigations, evidence and policy reform. They should avoid feeding cynicism and should aim to help heal the current Brexit-related divides in UK society.

This effort should be connected to real grassroots engagement and mobilisation at a local level. For instance, this could involve talks at schools and citizen audits of local councils. It will be important to work with the next generation, as attitudes among youth and the under 45s are much more sympathetic to our goals – which will require long term investment. A BBC drama on the Finance Curse could be as effective as McMafia. A Harvey Weinstein moment could flip norms about what is permissible. Messages would need to be crafted for different audiences (as Andrew Cooper outlined). Brexit creates new possibilities and pitfalls for public communication.

Box 2. Key points from Andrew Cooper: political dynamics & public opinion

- Populus’s demographic model provides a strong analysis of public opinion that is based on geography and shapes political dynamics.
- In the short term, more people are likely to become less secure, which creates public appetite for more authoritarian politics.
- In the long term, the population is becoming more secure and more diverse, which creates appetite for more progressive politics.
- ‘Leave v Remain’ is more important than traditional ‘Left v Right’ as the basis for political self-identification. The values for which Brexit is a proxy will continue to define public opinion and political dynamics for the next 10 years.
- There is a major generational split currently at the age of 47. Younger people are more open and liberal. Older people are more closed. This is a cohort effect, so public opinion can be expected to become more open and liberal over time.
- CSOs should craft different messages for people in the different quadrants of the model. Some messages will generate a negative reaction in opposing quadrants, others may not.
- People are strongly influenced by the people they live among. So, find local champions as well as social media champions.
- Government petitions are a great cheap way of getting data about attitudes & post codes that can be analysed using this model.

6. *The academic evidence base needs to be strengthened.*

We need better evidence about the scale of the problems faced in order to achieve more traction with the public, media and policy makers. Better evidence would create a copper bottomed case for reform and to rebut our opponents’ claims. It would also strengthen the case to donors. For instance, could we get to more unassailable, objective estimates of the scale of global corruption & tax abuse enabled by the UK? Or the scale of corruption within the UK? Or different aspects of the domestic tax system, including the tax gap and the distribution of tax payments across society?

We also need better evidence about the results achieved by specific reforms in different contexts, in order to drive learning and improvement, and make the case for further investment.

This will likely require continued collaboration between practitioners (campaigners and implementers) and academic researchers. Time series data over several years may be particularly powerful.

7. We need to ensure that a stream of impactful investigations continues.

Leaks like the Panama Papers and Luxleaks provided incredibly important data that lifted the veil about how international commercial systems really operate. But these leaks are unpredictable and may not be complete. We need to encourage more similar leaks and ensure a strong pipeline of investigations into wrong doing, to continue to understand the issues and maintain public and political interest.

As well as carrying out investigations ourselves and in partnership with international journalists, this will mean encouraging and supporting whistleblowers, who operate at huge personal risk. We should also expose private sector influence on political processes, for instance through dirty money in our politics and lobbying. Revitalising local journalism would strengthen investigations and accountability at a more grassroots level.

8. Existing laws need to be better enforced, with more successful prosecutions.

The UK has a strong legal framework, particularly in relation to corruption. It is relatively cheap and easy for government to introduce laws. But enforcement is weak and fragmented across multiple agencies. A large amount of structural change is under way among agencies, with new bodies created and limited clarity about the overlap between areas such as illicit financial flows, economic crime and organised crime. Very few prosecutions have been brought under the Bribery Act or for economic crime. Enforcement by HMRC is also seen to be weak, with limited oversight of sweet-heart deals and staff numbers halved over recent years.

A small number of successful prosecutions of individual company directors could have a major influence on norms and corporate behaviour by signaling that there is political will to pursue the 'big fish'. This would require new laws around corporate criminal liability. It may be appropriate to bring private prosecutions, and to provide enforcement agencies with dossiers of reliable information they can use to prosecute.

The impact of economic crime should be considered in court cases, for instance with victim statements. We also need to improve transparency in courts and access to information about cases & legal processes by civil society.

9. Many important policy reforms need to be pursued.

Policy reform has been campaigners' major focus over recent years. There have been notable wins. A lot of effort has not yet yielded results. Some reforms will require comparable effort to transparency around beneficial ownership. An initial list of current priorities was identified, including:

Corruption reforms	Tax reforms	Shared reforms
<ul style="list-style-type: none"> • Implement the UK property register. • Reform political party financing. • Reform parliamentary ethics bodies & oversight. • Enhance anti-corruption measures in the public sector. • Enhance oversight of the Anti Corruption Strategy. • Effective UK implementation of EITI, Open Govt Partnership, SDG 16. • Create an independent anti corruption commission. • Apply FoI to private sector organisations that deliver public services. • Enhance corporate liability (section 7 of the Bribery Act). • Defend & enforce the Bribery Act, & enforce Unexplained Wealth Orders. • Create an open court document database. 	<ul style="list-style-type: none"> • Implement & enforce County by Country reporting. • Require government disclosure of aggregate information. • Implement formulary apportionment for taxing multi-national companies. • Reform UK taxes, e.g. establish some form of wealth tax, reform council tax. • Create new offences for tax advisors. • Enhance oversight & resourcing of HMRC. 	<ul style="list-style-type: none"> • Implement beneficial ownership transparency in OTs, CDs & UK (including verifying Companies House data). • Enhance transparency in trusts. • Resource & oversee enforcement agencies properly (e.g. SFO, NAC, HMRC). • Regulate lobbying effectively. • Stop the revolving door; abolish & replace ACOBA. • Reform the regulation of professional enablers. • Implement Open Contracting and the use of debarment from public procurement. • Reform the Companies Act, so companies work in the interests of all stakeholders not just shareholders.

In addition, on-going advocacy is required to retain and strengthen the UK government's leadership in international processes, such as:

- Reform of FATF and Anti-Money Laundering regime,
- Establishing the norm of beneficial ownership transparency,
- Implementing sanctions,
- UN work on tax, including a convention on transparency & a UN tax body.

Further work is needed to develop new policy solutions for big issues, such as creating a more effective enforcement regime, or entirely rethinking anti-money laundering approaches. A citizens assembly could create new policy recommendations and legitimacy in areas such as tax and spending.

The UK is likely to have weak governments in the coming years, which may create opportunities for progress. Civil society needs to strengthen its political strategies, including public engagement, working with champions and allies, and advocacy in Westminster, the devolved assemblies and across parties. It would

be useful to co-ordinate policy asks among campaigning organisations on an annual basis.

Box 3. Key points from Phil Mason: advocating to government

- NGOs are most effective when they bring concrete practical solutions to government, rather than megaphone declarations of problems. Pressure on government increases when there are examples of how issues affect ordinary people.
- The perfect package to influence government includes: (a) engagingly presented analysis of the problem, (b) set of practical solutions, (c) capturing relevance to ordinary people. Alliances may be needed to bring these together.
- Campaigners should aim to change ‘political will’ to ‘political can’t avoid’. As a minister put it: “we politicians change our behaviour not because we see the light but because we feel the heat”.
- When fighting corruption, the aim is to change the calculation people make by creating consequences for their actions. It may be quicker and cheaper to do this by harming their reputations, rather than bringing prosecutions.
- Forensic analysis of new legislation is valuable to government.
- There’s real public impatience to deal with these issues, which can drive changes in behaviour and the law. We should take a lot of confidence from progress over the last 10-15 years. Patience is wearing thin across Whitehall with the OTs.
- Neither Whitehall nor departments are monoliths. The recent favourable FATF review risks generating complacency in government.

10. It is time to tackle the professional enablers.

There is a widespread sense that it is time to address the professional enablers, including the Big 4 professional services firms and the major lawyers, as well as potentially banks, estate agents and others. Regulation is not working effectively and major professions and firms are acting too much in their private interest, rather than making an ethical contribution to society as a whole. As a result, they are enabling and profiting from corruption and tax abuse at scale. The Big 4 are seen as particularly influential in all areas of government, as well as benefitting from a failing audit model (although this falls outside our immediate interests). A new organisation could be created to monitor and highlight their work, from this perspective.

The influence of the City as a whole may be over-stated. It is institutionally fragmented and operates with more inertia and complacency than conspiracy. However, the CEOs of a small number of big banks and related institutions do wield real political influence. There is a cosy culture of complicity between commercial, regulatory and political interests in the UK.

11. UK civil society organisations should stay engaged internationally.

These issues have significant international dimensions. The UK plays a major role in enabling corruption and tax abuse around the world. The UK also influences international institutions that tackle corruption and tax abuse, as well as directly influencing other governments' policies.

Civil society activists should continue to work in solidarity and collaboration with campaigners in other countries. Civil society should encourage the UK to stay at the forefront of global initiatives such as enhancing transparency (including the emerging norm around beneficial ownership) and areas such as OECD tax reforms and EU work on corruption and money laundering.

12. UK civil society needs to become significantly stronger in order to carry out the work outlined above and achieve its potential impact.

There is an urgent need to strengthen UK civil society capacity working on corruption and tax. The priorities identified at this retreat substantially exceed current capacity currently available across UK civil society organisations. There is limited capacity in crucial areas including: public engagement & mobilisation, strengthening the evidence base, supporting prosecutions, tackling the professional enablers or for many of the policy reforms identified.

A small number of organisations lead civil society's work in these fields. Many of them are themselves small and fragile, relying on a limited number of individuals and uncertain funding. They need greater expertise and security, and a stronger sense of how they fit together into a wider ecosystem. They tend to be too much clustered in London and lack diversity. A variety of new partnerships are required, as well as potentially new organisations.

For impact at scale, the different areas of work identified above need to be connected together, at least loosely. The policy work, public communications work, investigations and evidence building all need to reinforce each other, in pursuit of overall goals and a common narrative. There is currently limited capacity for coordination across civil society, particularly at strategic level. Existing start ups and any new organisations may need particular support to succeed.

Participants developed initial plans for strengthening civil society, in order to achieve the goals outlined above. Progress will depend on two key limiting factors: leadership and funding. Substantial new resources are needed, estimated at £12m per year, and existing resources will need to be used as effectively and strategically as possible. There are real potential benefits from working together in a common endeavour with a long term plan to transform the ecosystem. But it will need on-going coordination and commitment.

See attached document for content: Joint proposal, 7th Feb 2019.

Next steps

- a) Use the shared analysis and relationships developed in this meeting to inform strategic and operational work.
- b) Finalise the two key outputs, the 'north star' goals and joint proposal, and use them as the basis for further planning & fundraising.
- c) Hold a conference call to discuss this report, next steps & a timeline. Repeat as useful.
- d) Discuss this report and outputs with donors and other stakeholders.
- e) Consider repeating the retreat in a year's time.

Costs

The direct costs of the retreat are as follows, excluding participants' time.

Direct costs

Venue, food & accommodation:	£3,671
Facilitator:	£3,300
Sundries:	£168
<i>Total direct costs:</i>	<i>£7,139</i>

Participants contributions:	£3,000
Joffe Trust contribution:	£4,139

The 10 participants who were not from the Joffe Trust contributed £300 each. This was calculated as approximately half the direct costs of the venue and facilitator. They also covered their own travel costs & time. The Joffe Trust covered the full costs of their two participants and the other half of the direct costs, as well as about 12 days of Alex Jacobs' time to organise and write up the retreat.

Participants' feedback

Participants were asked to give anonymous feedback two weeks after the retreat was very positive. They were enthusiastically positive. On a scale of 1 (not valuable) – 10 (exceptionally valuable), participants gave it an average rating of 8. Their comments can be summarised as follows:

- The retreat was very useful, particularly to build trust & networks, gain thinking space and explore shared goals at a strategic level. Participants gained many insights & connections, which they immediately put to use.
- Participants appreciated feeling part of a community working on a common endeavour.
- The retreat was well facilitated & organised, and the guest speakers were much appreciated.
- It would have been useful to hear more about each other's work, and include a wider range of people, potentially including other funders.
- There's a balance to be struck in recognising the common ground & the differences among the tax justice & anti-corruption communities.

- The Joffe Trust is uniquely placed to convene this kind of event, which would not have happened without them. Stay aware of the power dynamics of being a donor.
- The retreat was an excellent step in strengthening the ecosystem. What happens next will be the true test.

Participants

1. Alex Cobham, Tax Justice Network
2. Alex Jacobs, Joffe Trust
3. Claire Spoons, Oxfam
4. David McNair, the ONE Campaign
5. Deb Joffe, Joffe Trust
6. George Turner, Taxwatch & Finance Uncovered
7. Liz David-Barrett, University of Sussex
8. Naomi Hirst, Global Witness
9. Michael Jarvis, Transparency & Accountability Initiative
10. Robert Barrington, Transparency International UK
11. Robert Palmer, Tax Justice UK
12. Sue Hawley, Corruption Watch UK

Facilitator: Jennie Richmond