**Dreaming of what might be: tax utopias in the 2017 general election**

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One of Labour’s key lines of attack in the recent general election campaign was the assertion that the Conservatives intend to turn Britain into a ‘low-wage tax haven’. Labour successfully imputed to the Tories a utopian dream of a post-Brexit neoliberal tax regime: an imagined future in which a deregulated Britain - offering secrecy for billionaires and trickle-down economics for the rest of us - would float off into the Atlantic, a *paradis fiscal* set free from the European Union.

There is more than a kernel of truth to the idea that some Conservatives - particularly Brexiteers to the right of the party - want to turn Britain into an extremely low tax jurisdiction, and that they see Brexit as an opportunity to achieve this ambition. In a recent book, the MEP Daniel Hannan described the opportunity to leave the EU as ‘our chance to create a free-trading, deregulated, off-shore Britain’.[[1]](#footnote-1) This aspiration was echoed in Chancellor Philip Hammond’s threat to the EU in January 2017: if Britain didn’t get its way in the negotiations, he warned, ‘we will have to change our model to regain competitiveness’[[2]](#footnote-2). Aside from this threat, however, Hannan’s vision of an offshore Britain has not been actively elaborated under the premiership of Theresa May; it has never been ‘owned’ by the Tories as a positive, utopian projection of the future.

Instead, Labour’s repeated references to Tory plans for a ‘tax haven Britain’ have converted this vision into a post-Brexit tax *dystopia*. The phrase was central to Jeremy Corbyn’s speech on the triggering of Article 50 - ‘there are Conservatives who want to use Brexit to turn this country into a low-wage tax haven’[[3]](#footnote-3) - and it was subsequently repeated in election campaign videos and party political broadcasts. Possession of the ‘tax haven’ ball has been dominated by Labour, and the prevailing vision of post-Brexit Tory Britain has been successfully shaped by the party’s antagonists. In all this Labour has built on the extensive work achieved over the last five years or so by actors for tax justice, and in particular by associates of the Tax Justice Network, who use the phrase to describe the UK’s orientation towards corporation tax, and its location at the centre of a web of tax havens.

Neither Hannon’s vision nor Hammond’s line on tax competitiveness were highlighted during the election, but Labour’s attribution of a tax haven dystopia to their opposition achieved a high level of credibility. In part, this is because May said so little about her plans for Brexit: the empty slogan of ‘Brexit means Brexit’ opened up a space for Labour to animate the Tories’ vision on their behalf. But it is also because the Tory dystopian vision was counterposed, through Labour’s manifesto promises, to its own, social-democratic, tax utopia: higher corporation tax, a rise in income tax for those earning more than £80,000, and the designation of tax as a social obligation for the common good. This social-democratic tax future - ‘tax haven Britain’ thrown into relief - helped to define the latter as dystopian, and to underscore the vital differences between the Labour and Conservative offer.

Labour’s policies on tax were, from a socialist perspective, rather hesitant. Yet the manifesto has been hailed as ground-breaking - as differing fundamentally from anything the party has offered in decades - because it clearly signalled Labour’s support for universal provision of social services funded by more progressive taxation, and its intention to break with neoliberalism. This social democratic tax future - ‘tax haven Britain’ thrown into relief - helped to define the latter as dystopian, and to underscore the vital differences between the Labour and Conservative offer.

The credibility of the threat of ‘tax haven Britain’ was enhanced, during the election campaign and in the months before it, by a greater perception of the alignment of Tory interests with tax avoidance. While we’ve got used to the public shaming of celebrity tax avoiders, the financial interests of the political class have often escaped notice. When they are exposed - such as in 2016, when the publication of the Panama Papers revealed that David Cameron had profited from his father’s investments in an offshore trust - the political consequences have usually been disappointing. During the course of the election campaign, significant members and affiliates of the Tory Party were accused of benefitting from or facilitating tax avoidance: Home Secretary Amber Rudd, political strategist Lynton Crosby, the prime minister’s husband Philip May, and Britain’s array of right-wing media barons. Left-wing commentators have always called out the vested interests of such people, but this time there was a broader narrative about tax with which to associate these claims. Labour’s elaboration of a tax dystopia provided something for these revelations to stick to, and helped to consolidate ‘the tax avoiders’ as a distinct elite group whose interests are served by the Conservative Party.

**Utopia in the political imaginary**

A concept of utopia can also help us grasp certain positions adopted during the general election campaign by those on Labour’s right wing. An idea of utopia as signifying a lack of realism was important to the way in which this constituency heard and reviewed Corbyn’s manifesto. Take, for example, Polly Toynbee’s analysis, in which the manifesto is described as a ‘cornucopia of delights’: ‘The leaked Labour manifesto is a treasure trove of things that should be done, undoing those things that should never have been done and promising much that could make this country infinitely better for almost everyone … It’s quite right to go large and please Labour people with a dream of what might be’.[[4]](#footnote-4) Yet Toynbee’s point by point endorsement of these policies is at the service of a broader argument: that ‘the die was cast long ago’, and ‘the view of Corbyn is fixed’. The outcome of the election in the form of a Tory landslide is assured. In this way Toynbee portrays Corbyn’s project as utopian in a very specific sense: as an unrealistic ‘dream of what might be’. It is unrealistic because it lacks an agent - a credible prime minister in waiting - to bring it about. *NME* journalist Jamie Milton articulates a similar concern when he asks - in an otherwise glowing review of the Labour manifesto - ‘will they really be able to create this utopia?’.[[5]](#footnote-5)

In designating Labour’s vision under Corbyn as utopian, its detractors on Labour’s right wing join forces with its Tory critics, who seek to invalidate social democracy, and to insist on neoliberalism as common sense.[[6]](#footnote-6) When Dominic Raab claims that the Conservative Party are putting forward sensible plans while Jeremy Corbyn ‘frolics in socialist utopia’, his intention is to paint Labour’s manifesto as unrealistic, impractical and unworkable. [[7]](#footnote-7) Toynbee and Milton’s reservations confirm Raab’s critique.

But to note this alignment is not to suggest that the concept of utopia should be left out of analysis of our current political moment. On the contrary, applying this concept differently can help us see how the utopian elements of the Labour manifesto may - contra Toynbee - have played a distinct role in Labour’s success in the general election. As Ruth Levitas remarks, ‘utopia does not need to *be* practically possible; it merely needs to be believed to be so to mobilise people to political action’.[[8]](#footnote-8) The more limited concept of utopia deployed by Toynbee and others ignores the sense in which utopianism can work to convert ‘unrealistic’ promises - or better, desires - into achievable, workable policies. Utopian thinking can make change possible, by recruiting agents of that change to an image of a desired future. Likewise, the strong projection of someone else’s utopia - here, the Tories’ low-tax utopia - can help to impede the neoliberal project.

The usefulness of the ‘tax haven Britain’ trope to the Tories’ antagonists has not yet expired. By entering into a confidence and supply agreement with the DUP, May has only strengthened Labour’s hand: as the Tax Justice Network were quick to point out, the DUP have a longstanding ‘commitment to tax havenry’, committed as they are to lowering the corporate income tax rate to 12.5 per cent.[[9]](#footnote-9) The agreement thus does nothing to disrupt Labour’s ‘tax haven Britain’ formulation. Indeed, there is scope to deepen it, through its articulation to the broader post-imperial fantasy that is said to propel key Brexiteers’ ambition to reconstitute an ‘Empire 2.0’ via new trading relationships with the Commonwealth.[[10]](#footnote-10) The DUP’s involvement in government overlays the neoliberal ‘Brexit tax haven’ utopia with a neo-conservative utopia oriented to the past.

**Towards a radical tax utopia**

Labour have not yet returned to government, and there are probably limits to the utility of utopian tales about tax in the next general election, and even to a more general emphasis on progressive taxation. Labour’s success in activating support for its progressive tax plans has a particular context: opposition to tax avoidance has been building since the global financial crisis; there is particular distaste for corporate tax avoidance, and very strong support for higher taxation for the rich.[[11]](#footnote-11) Yet it shouldn’t be assumed that support for progressive taxation will necessarily be sustained in the months and years ahead. ‘Tax haven Britain’ has not been neutralised as a utopia - it is still some people’s ideal, and a site of fantasy for others. The political salience of tax as an issue is informed by the ways in which the need for higher taxation is articulated; the definition of the tax base (for example, as the top 5 per cent of earners); and the extent to which people can clearly perceive the relationship between tax and spend (for example, the promise that a tax on private school fees will pay for school lunches). This is not an argument for the ring-fencing of tax revenues but for inventive discursive work on making visible the flows of finance in and out of public coffers. Those stories also need to recognise and include the moments where public finance - ‘taxpayers’ money’ - is bled out of public services and ends up as private profit. Stories about tax and spend also need to be stories about privatisation and markets.

At some point, and certainly once Labour gets back in government, the social-democratic tax utopia is going to need radicalising - it won’t be enough, in fact, for only the top 5 per cent of taxpayers to contribute more. As Richard Murphy has argued, Labour also needs to do a great deal more to link its social-democratic vision to a positive plan for Brexit. This might involve moving beyond a discursive moment in which two contrasting tax utopias are held in tension, towards the articulation of an economic case for Brexit with tax at the centre.[[12]](#footnote-12) Finally, an even deeper challenge for Labour is to articulate its plans for tax, the economy and the welfare state to environmental imperatives. A radical environmental socialist tax utopia is the one I’m dreaming of.

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3. BBC Two Daily Politics, ‘Jeremy Corbyn’s Article 50 speech’, BBC, 29.3.17. [↑](#footnote-ref-3)
4. Polly Toynbee, ‘Never mind who leaked it, this Labour manifesto is a cornucopia of delights’, *Guardian*, 11 May 2017, https://www.theguardian.com/commentisfree/2017/may/11/leaked-labour-manifesto-cornucopia-delights-tories-jeremy-corbyn-theresa-may [↑](#footnote-ref-4)
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6. Stuart Hall and Alan O’Shea, ‘Common-sense neoliberalism’, *Soundings,* 55, 8-24 (2013). [↑](#footnote-ref-6)
7. Dominic Raab, ‘Labour has abandoned its voters. After today's manifesto, the Conservatives are now the party of working Britain’, *Independent*, 18 May 2017, http://www.independent.co.uk/voices/conservative-manifesto-tories-party-of-working-britain-not-labour-dominic-raab-general-election-a7743396.html [↑](#footnote-ref-7)
8. Ruth Levitas, *The Concept of Utopia,* Peter Lang, Witney 2011, p221. [↑](#footnote-ref-8)
9. TJN, ‘UK coalition government driven by corporation tax cutters’, *Tax Justice Network*, 12 June 2017, http://www.taxjustice.net/2017/06/12/uk-coalition-government-driven-corporation-tax-cutters/ [↑](#footnote-ref-9)
10. David Olusoga, ‘Empire 2.0 is dangerous nostalgia for something that never existed’, *Guardian*, 19 March 2017, https://www.theguardian.com/commentisfree/2017/mar/19/empire-20-is-dangerous-nostalgia-for-something-that-never-existed [↑](#footnote-ref-10)
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12. Richard Murphy, ‘What Corbynomics should look like right now’, *Tax Research*, 7 May 2017, http://www.taxresearch.org.uk/Blog/2017/05/07/what-corbynomics-should-look-like-right-now/ [↑](#footnote-ref-12)