How to Build a Progressive Tea Party

Johann Hari

Imagine a parallel universe where the Great Crash of 2008 was followed by a Tea Party of a very different kind. Enraged citizens gather in every city, week after week—to demand the government finally regulate the behavior of corporations and the superrich, and force them to start paying taxes. The protesters shut down the shops and offices of the companies that have most aggressively ripped off the country. The swelling movement is made up of everyone from teenagers to pensioners. They surround branches of the banks that caused this crash and force them to close, with banners saying, YOU CAUSED THIS CRISIS. NOW YOU PAY.

As people see their fellow citizens acting in self-defense, these tax-the-rich protests spread to even the most conservative parts of the country. It becomes the most-discussed subject on Twitter. Even right-wing media outlets, sensing a startling effect on the public mood, begin to praise the uprising, and dig up damning facts on the tax dodgers.

Instead of the fake populism of the Tea Party, there is a movement based on real populism. It shows that there is an alternative to making the poor and the middle class pay for a crisis caused by the rich. It shifts the national conversation. Instead of letting the government cut our services and increase our taxes, the people demand that it cut the endless and lavish aid for the rich and make them pay the massive sums they dodge in taxes.

This may sound like a fantasy—but it has all happened. The name of this parallel universe is Britain. As recently as this past fall, people here were asking the same questions liberal Americans have been glumly contemplating: Why is everyone being so passive? Why are we letting ourselves be ripped off? Why are people staying in their homes watching their flat-screens while our politicians strip away services so they can fatten the superrich even more?

And then twelve ordinary citizens—a nurse, a firefighter, a student, a TV researcher and others—met in a pub in London one night and realized they were asking the wrong questions. “We had spent all this energy asking why it wasn’t happening,” says Tom Philips, a 23-year-old nurse who was there that night, “and then we suddenly said, That’s what everybody else is saying too. Why don’t we just do it? Why don’t we just start? If we do it, maybe everybody will stop asking why it isn’t happening and join in. It’s a bit like that Kevin Costner film *Field of Dreams*. We thought, If you build it, they will come.”

The new Conservative-led government in Britain is imposing the most extreme cuts to public spending the country has seen since the 1920s. The fees for going to university are set to triple. Children's hospitals like Great Ormond Street are facing 20 percent cuts in their budgets. In London alone, more than 200,000 people are being forced out of their homes and out of the city as the government takes away their housing subsidies.

Amid all these figures, this group of friends made some startling observations. Here's one. All the cuts in housing subsidies, driving all those people out of their homes, are part of a package of cuts to the poor, adding up to £7 billion. Yet the magazine *Private Eye* reported that one company alone—Vodafone, one of Britain's leading cellphone firms—owed an outstanding bill of £6 billion to the British taxpayers. According to *Private Eye*, Vodaphone had been refusing to pay for years, claiming that a crucial part of its business ran through a post office box in ultra-low-tax Luxembourg. The last Labour government, for all its many flaws, had insisted it pay up.

But when the Conservatives came to power, David Hartnett, head of the British equivalent of the Internal Revenue Service, apologized to rich people for being "too black and white about the law." Soon after, Vodafone's bill was reported to be largely canceled, with just over £1 billion paid in the end. Days later George Osborne, the finance minister, was urging people to invest in Vodafone by taking representatives of the company with him on a taxpayer-funded trip to India—a country where that company is also being pursued for unpaid taxes. Vodafone and Hartnett deny this account, claiming it was simply a longstanding "dispute" over fees that ended with the company paying the correct amount. The government has been forced under pressure to order the independent National Audit Office to investigate the affair and to pore over every detail of the corporation's tax deal.

"It was clear to us that if this one company had been made to pay its taxes, almost all these people could have been kept from being forced out of their homes," says Sam Greene, another of the protesters. "We keep being told there's no alternative to cutting services. This just showed it was rubbish. So we decided we had to do something."

They resolved to set up an initial protest that would prick people's attention. They called themselves UK Uncut and asked several liberal-left journalists, on Twitter (full disclosure: I was one of them), to announce a time and place where people could meet "to take direct action protest against the cuts and show there's an alternative." People were urged to gather at 9:30 am on a Wednesday morning outside the Ritz hotel in central London and look for an orange umbrella. More than sixty people arrived, and they went to one of the busiest Vodafone stores—

on Oxford Street, the city's biggest shopping area—and sat down in front of it so nobody could get in.

"What really struck me is that when we explained our reasons, ordinary people walking down Oxford Street were incredibly supportive," says Alex Miller, a 31-year-old nurse. "People would stop and tell us how they were terrified of losing their homes and their jobs—and when they heard that virtually none of it had to happen if only these massive companies paid their taxes, they were furious. Several people stopped what they were doing, sat down and joined us. I guess it's at that point that I realized this was going to really take off."

That first protest grabbed a little media attention—and then the next day, in a different city, three other Vodafone stores were shut down in the northern city of Leeds, by unconnected protests. UK Uncut realized this could be replicated across the country. So the group set up a Twitter account and a website, where members announced there would be a national day of protest the following Saturday. They urged anybody who wanted to organize a protest to e-mail them so it could be added to a Google map. Britain's most prominent tweeters, such as actor Stephen Fry, joined in.

That Saturday Vodafone's stores were shut down across the country by peaceful sit-ins. The crowds sang songs and announced they had come as volunteer tax collectors. Prime Minister David Cameron wants axed government services to be replaced by a "Big Society," in which volunteers do the jobs instead. So UK Uncut announced it was the Big Society Tax Collection Agency.

The mix of people who turned out was remarkable. There were 16-year-olds from the housing projects who had just had their £30-a-week subsidy for school taken away. There were 78-year-olds facing the closure of senior centers where they can meet their friends and socialize. A chuckling 64-year-old woman named Mary James said, "The scare stories will say this protest is being hijacked by anarchists. If anything, it's being hijacked by pensioners!" They stopped passers-by to explain why they were protesting by asking, "Sir, do you pay your taxes? So do I. Did you know that Vodafone doesn't?"

The police looked on, bemused. There wasn't much they could do: in a few places, they surrounded the Vodafone stores before the protesters arrived, stopping anyone from going in or out—in effect doing the protesters' job for them. One police officer asked me how this tax dodge had been allowed to happen, and when I explained, he said, "So you mean I'm likely to lose my job because these people won't pay up?"

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UK Uncut organized entirely on Twitter, asking what it should do next and taking votes. There was an embarrassment of potential targets: the National Audit Office found in 2007 that a third of the country's top 700 corporations paid no tax

at all. UK Uncut decided to expose and protest one of the most egregious alleged tax dodgers: Sir Philip Green. He is the ninth-richest man in the country, running some of the leading High Street chain stores, including Topshop, Miss Selfridge and British Home Stores. Although he lives and works in Britain, and his companies all operate on British streets, he avoids British taxes by claiming his income is “really” earned by his wife, who lives in the tax haven of Monaco. In 2005 the BBC calculated that he earned £1.2 billion and paid nothing in taxes—dodging more than £300 million in taxes.

Far from objecting, Cameron’s government appointed Green as an official adviser, with special responsibility for “cutting waste.” So UK Uncut drew a direct line from Green’s tax exemption to the cuts in services for ordinary people. For example, Cameron had just announced the closure of the school sports partnership, which makes it possible for millions of schoolchildren to engage in healthy, competitive exercise. The protesters pointed out that if Green was made to pay taxes, the entire program could be saved, with more than £120 million left as small change. So they declared a day of action.

At the London protests against Green, everybody was asked to turn up at the largest branch of Topshop—again on Oxford Street—and mill around like ordinary shoppers. Once a whistle was blown, they were to start chanting, put on sports clothing to dramatize what was being taken away from schoolchildren and sit down by the counters to stop sales. It was the Saturday before Christmas. There was a strange *frisson* as everyone turned up and looked around. It was impossible to tell who was a shopper and who was a protester: they looked the same. The whistle blew—and they shut down one of the largest retail stores in Europe.

Across Britain, the same thing was happening. Even in Tunbridge Wells—a town synonymous with ultraconservatism—the Vodafone store was blockaded. Again, many people spontaneously joined in. The protests were all over that evening’s TV news. It was the most-read story on the websites of the BBC and the country’s most-read newspaper, the *Daily Mail*. The prime-time Channel 4 News reported, “A more eloquent and informed group of demonstrators would be hard to come across and one is struck by the wide appeal across ages and incomes, of what they had to say.” The uprisings in Tunisia and Egypt have shown how social media can be used to conduct the unfocused rage of a scattered population and harden it into a weapon. UK Uncut shows the same tactics can be used in a democracy—and there is the same need. Unemployment in the United States is at the same level as in Egypt before the uprising: 9 percent.

The UK Uncut message was simple: if you want to sell in our country, you pay our taxes. They are the membership fee for a civilized society. Most of the protesters I spoke with had never attended a demonstration before, but were

driven to act by the rising unemployment, insecurity and austerity that are being outpaced only by rising rewards for the superrich. Ellie Mae O'Hagan, a 25-year-old office worker in Liverpool, one of the most economically depressed places in the country, said she was "absolutely outraged to discover that I was paying more than Philip Green in taxes." She added, "I could see what all the cuts were doing. My brother had been made redundant, loads of my friends were unemployed and I could see it all getting worse, while these bankers get even bigger bonuses. And I thought, Right, you've got to do something. So I e-mailed UK Uncut to ask if there was a protest happening in Liverpool. They said, Not yet, so you organize one. So I spent forty-eight hours arranging one. And a hundred people turned up—an amazing mixture of people, who I had never met, and who didn't know each other—and we shut down both Vodafone stores. Suddenly, it felt like we weren't passive anymore. We were standing up for ourselves."

At every protest, a clear and direct line was drawn from tax avoidance to real people's lives. If they pay their bill, you won't be forced out of your home. If they pay their bill, your grandmother won't lose her government support. If they pay their bill, our children's hospitals won't be slashed.

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The protests began to influence the political debate. Public opinion had already been firmly for pursuing tax dodgers, with 77 percent telling YouGov pollsters there should be a crackdown. But by dramatizing and demonstrating this mood, the protesters forced it onto the agenda—and stripped away Cameron's claims that there was no alternative to his cuts.
Polly Toynbee is one of Britain's most influential columnists: imagine Maureen Dowd with principles instead of snark. Toynbee attended the London protests and was manhandled out of Topshop by security guards. She reported later that the protests were being watched very nervously on Downing Street. "It is no coincidence that the government immediately hurried out a 'clampdown' on tax avoidance, collecting £2 billion," she tells me, "or that [its coalition partners] the Liberal Democrats suddenly remembered this was one of their big commitments. Of course, that sum is only a drop in the ocean. But this really was a jolt to the political system. It was hugely important."

But perhaps the most striking response was from the right. One of Britain's most famous businessmen, Duncan Bannatyne, came out in support of the protests, declaring, "We need to rebel against tax dodgers…as Government won't." The *Financial Times* conceded that "the protesters have a point" but then grumbled about them. Surprisingly, the *Daily Mail*, Britain's most right-wing newspaper, became one of the movement's most sympathetic allies. The editors could see that their Middle England readers were outraged to be paying more taxes than the superrich. So they ran their own exposé on Philip Green's tax affairs, along with straightforward and detailed reporting of the protests.

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The only part of the media that attacked UK Uncut outright was, predictably, Rupert Murdoch's empire. This isn't surprising given that his company, News International, is one of the world's most egregious tax dodgers, contributing almost nothing to the US or UK treasuries. His tabloid the *Sun* accused UK Uncut of being a "group of up to 30,000 anarchists" scheming "to bring misery to millions of Christmas shoppers," with plans to "set off stink bombs, leave mouldy cheese in clothes and rack up huge sales at tills and then refuse to pay." After one of the people named in the article reported the *Sun* to the Press Complaints Commission, the newspaper was forced to retract the article by removing it from its website.

But these smear jobs were the best the right could muster. Conservatives ran into hiding, with almost nobody prepared to defend tax avoiders. Only a few stray voices emerged: ultraconservative blogger Tim Montgomerie, regarded as highly influential with Cameron; and Labour MP Tom Harris, our equivalent of a Blue Dog Democrat. They argued that tax avoidance is legal and therefore fine. The protesters responded that they were obviously arguing for a change in the law. The tax-evasion defenders also tried to argue that a crackdown would "drive away" corporations, to the detriment of the nation. But the corporations are already, for all intents and purposes, "away." They pay nothing to Britain. They have relocated everything they can. They can't, however, physically relocate their British shops to Bangalore. It's impossible. That remnant can certainly be taxed. What are they going to do?

Besides, the right's claim that enforcing fair taxes drives away the rich was recently tested—and proved wrong. Toward the end of the last Labour government, officials increased the top tax rate to 50 percent. (This is still far short of the 90 percent levied on US taxpayers by President Eisenhower, during the biggest boom in American history.) Conservatives predicted disaster: London Mayor Boris Johnson said it would reduce the city to a ghost town as bankers fled to Switzerland. Yet after the taxes rose, the number of rich people applying for visas to leave Britain for Switzerland actually fell by 7 percent.

After the empirical argument collapsed, a few on the right tried to shift the argument to a moral one. They said that Green “earns all his money on his own,” so why should he have to pay any of it back to the rest of us? I responded on TV and in a blog post by suggesting a small experiment. Let’s take one branch of Topshop, and for twelve months we’ll deny any services funded by collective taxation to that store. When the rubbish piles up, we won’t send garbage men to collect it. When the rat outbreak begins, we won’t send pest control. When they catch a shoplifter, we won’t send the police. When there’s a fire, we won’t send the fire brigade. When suppliers want to get their goods to the store, there may be a problem: we won’t maintain the roads. When the employees get sick, we won’t treat them in the publicly funded hospitals. Then let Philip Green come back and tell us he does it all himself.

The last argument of the defenders has been to say it’s impossible to do anything about tax havens, so we’ll just have to accept them. But this is false. After the 9/11 attacks, the world—under US pressure—passed virtually universal laws to freeze Al Qaeda–related accounts and so prevent them from stashing or accessing money from tax havens. Where there is political will, they can be brought to heel rapidly. In the early 1960s Monaco was refusing to hand over details of French tax dodgers to the French authorities. President Charles de Gaulle surrounded the country with tanks and cut off its water supply until it relented. On a more prosaic level, many countries have integrated into their law something called a General Anti-Avoidance Principle, which stipulates that any act contrary to the spirit of the nation’s tax laws is illegal. It slams shut most loopholes overnight.

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There has been an obsessive hunt by the media to discover who UK Uncut “really are.” They assume there must be secretive leaders pulling the strings somewhere. But the more I dug into the movement, the more I realized this is a misunderstanding. The old protest movements were modeled like businesses, with a CEO and a managing board. This protest movement, however, is shaped like a hive of bees, or like Twitter itself. There is no center. There is no leadership. There is just a shared determination not to be bilked, connected by tweets. Every decision made by UK Uncut is open and driven by the will of its participants. Alongside many people who had never protested, activists from across the spectrum have poured into the movement, from the students occupying their universities to protest the massive hike in fees, to antipoverty groups like War on Want, to trade unions. Indeed, even the trade union at Britain’s IRS came out in support, with ordinary tax collectors rebelling against their bosses for letting the rich wriggle out of taxes.

Think of it as an open-source protest, or wikiprotest. It uses Twitter as the basic software, but anyone can then mold the protest. The Western left has been proud of its use of social media and blogging, but all too often this hasn't amounted to much more than clicktivism. By contrast, these protesters have tried at every turn to create a picture of George Osborne, Cameron's finance minister, sitting in his office, about to sign off on another big tax break for a rich person, paid for by cuts to the rest of us. Is a big Facebook group going to stop him? No. Is an angry buzz on the blogosphere going to stop him? No. But what these protesters have done—putting all the online energy into the streets and straight into the national conversation—just might. And by creating a media buzz, it draws in people from far beyond the tech-savvy Twitterverse, with older activist groups—from trade unions to charities—clamoring to join.

As one UK Uncut participant, Becky Anadeche, explains, "So many campaigns rely on the premise that the less you ask somebody to do, the more likely they are to do it. This campaign has proved the opposite. People who have never even been on a protest before have been organizing them."

British liberals and left-wingers have been holding marches and protests for years and been roundly ignored. So why did UK Uncut suddenly gain such traction? Alex Higgins, another protester, explains, "It's because we broke the frame that people expect protest to be confined to. Suddenly, protesters were somewhere they weren't supposed to be—they were not in the predictable place where they are tolerated and regarded as harmless by the authorities. If UK Uncut had just consisted of a march on Whitehall [where government departments are located], where we listened to a few speakers and went home, nobody would have heard of it. But this time we went somewhere unanticipated. We disrupted something they really value: trade." A wave of bankers' bonuses is due to be announced in February, and it would be surprising if UK Uncut did not respond with a similar program of direct action.

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Can this model be transferred to the United States? Remember that a few months ago, Brits were as pessimistic about the possibility of a left-wing rival to the Tea Party as Americans are now. Of course, there are differences in political culture and tax law structure and enforcement, but there are also strong parallels. In the United States the same three crucial factors that created UK Uncut are in place. First, at the state level, Americans are facing severe budget cuts, causing the recession to worsen. Nobel Prize–winning economist Paul Krugman says state governors are acting like "50 Herbert Hoovers…slashing spending in a time of recession, often at the expense both of their most vulnerable constituents and of the nation's economic future."

Second, most of these cuts could be prevented simply by requiring superrich individuals and corporations to pay their taxes. The Government Accountability Office (GAO) calculated in 2008 that eighty-three of the 100 biggest US corporations hide fortunes in tax havens. And even without these shelters, the rich have been virtually exempted from taxes across America. Billionaire Warren Buffet recently conducted a straw poll in his office and found he paid a lower proportion of his income in taxes than anybody else there—and considerably less than his secretary. Indeed, tax expert Nicholas Shaxson says that in many ways "America itself is a tax haven for many rich people." WikiLeaks is poised to release the details of a whole raft of corporations and banks using tax havens in the Cayman Islands, laying out the dodging for all to see.

And third, public opinion is firmly behind going after the rich and corporations. A poll in January for *60 Minutes* and *Vanity Fair* asked Americans which policy they would choose to reduce the deficit. By far the most popular, chosen by 61 percent of respondents, was to increase taxes on the rich. The next most popular, chosen by 20 percent, was to cut military spending. Other polls bear this out.

So Americans are facing the same cuts as the Brits. They are being ripped off by corporations and rich people just like the Brits. And they are as angry as the Brits. "All it takes," says Tom Philips, "is for a few people to do what we did in that pub that night and light the touch paper."

During the 2008 presidential campaign, Barack Obama promised to go after tax havens. He pointed out that one building in the Cayman Islands claims to house 12,000 corporations, and said: "That's either the biggest building or the biggest tax scam on record." He promised he would "pay for every dime" of his spending and tax cut proposals "by closing corporate loopholes and tax havens."

Yet in office he hasn't done this. In 2009 Congress passed the Foreign Accounts Tax Compliance Act, which shuffled a few inches forward but still doesn't even require the automatic exchange of information from tax havens that EU law requires as a matter of right. So if a rich person opens a tax account in the Cayman Islands and hides his money there, the IRS isn't told and doesn't know. Yes, President Obama's deficit commission made a few passing noises about closing tax loopholes, but the bulk of its recommendations and energy focused on going after benefits for the poor and middle class, like Social Security.

What should US Uncut target? "It's important to go after brand names that exist in every city in America," says Tom Purley, a UK Uncut participant. "The key to our success was that it was so easily replicated. People could do it anywhere. It took something that seems like a remote issue and connected it to a place they see every day." Most of the companies that engage in the worst tax avoidance in the United States are Big Pharma and financial companies, which don't have

stores. But the GAO also named a number of major brands that are exploiting tax havens. They include Apple, Bank of America, Best Buy, ExxonMobil, FedEx (whose president, Frederick Smith, was named by Obama as the businessman he most admires), Kraft Foods, McDonald's, Safeway and Target. That's a wealth of potential targets.

American citizens should ask themselves: I work hard and pay my taxes, so why don't the richest people and the corporations? Why should I pick up the entire tab for keeping the nation running? Why should the people who can afford the most pay the least? If you're happy with that situation, you can stay at home and leave the protesting to the Tea Party. For the rest, there's an alternative. For too long, progressive Americans have been lulled into inactivity by Obama's soaring promises, which come to little. As writer Rebecca Solnit says, "Hope is not a lottery ticket you can sit on the sofa and clutch, feeling lucky…. Hope is an ax you break down doors with in an emergency." UK Uncut has just shown Americans how to express real hope—and build a left-wing Tea Party.

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