

Jersey provides a warning to the UK: tax cuts and finan...

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The Guardian's 'long read' [this morning is headed as follows](#):

Long term readers of this blog will have noticed I have been talking about the black hole in the island's finances that I forecast that it would face by 2015 [from about 2006 onwards](#) (or right from the very beginning). And that, fundamentally is what this long read is about. To put it unsubtly, what the article acknowledges is that I was right.

The star of the show is, however, very definitely my long term friend and Tax Justice Network colleague, John Christensen, which is only right and proper as John is a Jersey man, and has had to face enormously bitter attacks to campaign on the issues created within and by the island of his origin. I have always saluted John for that: I've always suspected he would still live in Jersey if he could. Exile is a high price to pay for your convictions.

But when weaving the story Oliver Bullough, for the Guardian, does mention:

Perhaps his most notable comrade in this struggle is the accountant and Quaker Richard Murphy, whom he met by chance in 2002. "Richard and John have done magical things, absolute miracles," said Pat Lucas, a teacher on Jersey and another veteran campaigner against the offshore industry. "They have changed the whole narrative."

And adds:

Christensen and Murphy are not solely responsible for Jersey's troubles but sometimes, when talking to officials, you could be forgiven for thinking they were. (At one point during my interview with the former treasury and resources minister Philip Ozouf, he appeared temporarily to forget he was talking to me. "What's wrong about that, Mr Murphy? That's good stuff," he said, as if fantasising about taking on the turbulent accountant.)

Before noting

Christensen ... is not the kind of man to get into a slanging match.

Murphy, on the other hand, is combative — he advised Jeremy Corbyn during his leadership campaign for the Labour party — and has no such reservations. “They have for 10 years refused to accept that, fundamentally, their business model is, to use a technical term, fucked,” he told me.

I won't be suing. And the description of the Jersey business model is accurate. This though is a little wide of the mark:

If Christensen, Murphy and their gang had been Jersey's only opponents, the island's feelings would be hurt, but it would otherwise probably remain unharmed.

The article then notes the forces, such as the EU, assembled against the island. My doubt is whether they would have been assembled without us. It's a point to debate.

More importantly, there is a serious point to the article. Having noted that Jersey clearly sees no way out of the mess it is in the comment is made that:

Jersey bet its future on finance, allowing its other industries to shrivel, in the belief that it could live well in perpetuity from moving other people's money around. If that belief was false, then does its fate await another island off the coast of France — one that has also pledged its future to finance? In short, is Jersey's worrying present Britain's bleak future?

This is no minor issue. As [the FT notes this morning:](#)

Few countries have been as enthusiastic about tax competition as the UK.

That's the classic sign of a tax haven.

Are we heading the way of Jersey, with all that means? I think it possible. And it would be a disaster.

Reading [the whole article is recommended.](#)