

# Funding the Future

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*This is one of a series of posts that will ask what the most pertinent question raised by a prominent influencer of political economy might have been, and what the relevance of that question might be today. There is a list of all posts in the series at the end of each entry. The origin of this series is noted here.*

*After the first two posts in this series, the topics have been chosen by me, and this is one of those. This series has been produced using what I describe as directed AI searches to establish positions with which I agree, followed by final editing before publication.*

*This is the third post in a sub-series here, where I acknowledge notable economists who have influenced me and who also happen to be friends. This time, the subject is John Christensen, the one-time senior economics adviser to the States of Jersey who went on to co-found and direct the Tax Justice Network in the first decade of this century, in which role I was his close working partner, although neither of us is now associated with the Tax Justice Network.*

*John and I are close friends who talk regularly. As a result, we have greatly influenced each other's thinking for a quarter of a century.*

*What none of the online biographies of John make clear is that he is a professional economist with multiple degrees in the subject, specialising in development issues in particular, and that he was also trained as an auditor before starting that career. What they also fail to note is the sacrifice John made to leave Jersey, which was his childhood home, and his successful career as a senior civil servant, so that he might make clear the scale of abuse that places like Jersey were permitting around the world when our campaign work began. His tireless work helped change that. The world owes him its thanks, and he rightly deserves a place here.*

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John Christensen has spent decades illuminating what the world of mainstream economics, for far too long, preferred not to see: that the global financial system operates through an architecture of secrecy designed to free the wealthy from the

obligations that bind everyone else. As co-founder of the Tax Justice Network, Christensen mapped the offshore world not as a scattering of exotic anomalies, but as a coherent system — a network of secrecy jurisdictions, trusts, shell companies, nominee directors and permissive regulators bound together by one purpose: to hide wealth from accountability.

His work exposed how these structures distort markets, undermine states, and erode democratic power. For Christensen, the offshore world is not a side-show; it is the operating system of modern capitalism. And because secrecy enables the rich to opt out of obligations to the societies that sustain them, it fuels a downward pressure on standards — a global race to the bottom in which governments are pitted against each other for the favour of those who can move their money, but not their responsibilities.

Hence the John Christensen Question: ***If the wealthiest actors in the global economy can hide their money from scrutiny and responsibility, how can the race to the bottom be avoided and democracy survive the power that secrecy creates?***

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### ***Secrecy as strategy, not accident***

John Christensen's early professional life in Jersey revealed that secrecy jurisdictions do not emerge organically. They are created, nurtured, and defended by powerful interests, often with the tacit approval of major governments. These jurisdictions provide the infrastructure through which corporations shift profits to low-tax zones, high-net-worth individuals hide assets, and illicit flows move unchallenged.

The intention is not efficiency, but invisibility. Secrecy detaches wealth from any place, law, or community. Once wealth can be hidden, obligations can be evaded. And when obligations disappear, so does the basis of democratic equality.

### ***Profit shifting as systemic abuse***

John Christensen argued that profit shifting is not “tax planning” but an institutionalised form of economic extraction. Multinationals record profits in jurisdictions with no real economic activity to avoid contributing to the countries where their workers, infrastructure and consumers actually are. This is not marginal behaviour — it has become the business model of major global firms.

When corporations escape taxation, the public sector loses essential revenue. The result is predictable: underfunded services, higher taxes on ordinary people, and the erosion of social cohesion. Christensen insisted that this is not technical inefficiency. It is a policy failure driven by the power of secrecy.

## **Secrecy as a threat to democracy**

John Christensen's deepest concern was always political. Secrecy empowers wealth at the expense of democratic oversight. If the richest can hide their fortunes, they can also hide their influence — in political donations, lobbying, regulatory capture, and the quiet shaping of national priorities.

Secrecy produces a form of economic citizenship without democratic accountability. Those with offshore structures enjoy the benefits of public infrastructure, markets, legal systems, and social order, but contribute nothing proportionate in return. This breaks the reciprocal bond at the heart of democracy: the principle that those who benefit most from society should shoulder the greatest responsibility.

### ***The race to the bottom***

When the wealthy can move money effortlessly across borders, states begin competing to attract paper profits rather than investing in people. Tax rates fall. Labour protections weaken. Regulation is diluted. Transparency is avoided.

John Christensen showed that the “race to the bottom” is not a theoretical risk but a lived reality. Countries that attempt to regulate fairly are punished by the threat of capital flight. Those who capitulate are rewarded with fleeting financial flows that bring no real prosperity. The global economy becomes a contest in regulatory surrender, in which jurisdictions are encouraged to abandon democratic oversight as a competitive strategy.

### ***The UK's offshore empire***

John Christensen's work made clear that the UK sits at the centre of this system. Its crown dependencies and overseas territories — Jersey, Guernsey, the Isle of Man, the Cayman Islands, the British Virgin Islands and others — form a constellation of secrecy jurisdictions that funnel vast amounts of global wealth beyond accountability.

These networks are not embarrassing leftovers of empire; they are actively supported hubs that reinforce the City of London's power. The UK thus profits from a system that systematically undermines its own democratic integrity.

### ***What answering the John Christensen Question would require***

To confront the corrosive effects of secrecy, a society would have to make reforms that go far beyond closing a loophole here or tightening a rule there. At a minimum, it would require:

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Ending secrecy at the source: public registers of beneficial ownership for companies, trusts, partnerships and foundations in every jurisdiction.

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Taxing multinationals where they create value: through unitary taxation based on real economic activity, not artificial paper flows.

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Reversing the race to the bottom: coordinated international tax floors, anti-avoidance rules, and penalties for jurisdictions that facilitate evasion.

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Dismantling the offshore empire: bringing UK-linked secrecy jurisdictions under the same transparency laws that apply domestically.

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Reasserting democratic control over capital: ensuring that wealth cannot evade the obligations of citizenship through opacity.

These are structural reforms, not technical fixes. They represent a rebalancing of power between democracy and capital.

### ***Inference***

The John Christensen Question is, at its core, about power. A democracy cannot survive if its richest members can exist outside the rule of law, outside public scrutiny, and outside the obligations of citizenship. Secrecy is not a financial quirk; it is a political toxin. It hollows out the state, corrodes trust, and undermines the social contract.

Christensen's work shows us that the race to the bottom is not an economic necessity but a political choice — one that arises when governments fear capital more than they defend democracy.

To answer his question is to insist that wealth must be visible, taxable, and accountable, and that the rules of democratic society apply to everyone equally.

Only then can the power of secrecy be dismantled, and only then can democracy hope to survive the pressures that global capital now exerts upon it.

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### ***Previous posts in this series:***

- \* [\*\*\*The economic questions\*\*\*](#)
- \* [\*\*\*Economic questions: The Henry Ford Question\*\*\*](#)
- \* [\*\*\*Economic questions: The Mark Carney Question\*\*\*](#)
- \* [\*\*\*Economics questions: The Keynes question\*\*\*](#)
- \* [\*\*\*Economics questions: The Karl Marx question\*\*\*](#)
- \* [\*\*\*Economics questions: the Milton Friedman question\*\*\*](#)
- \* [\*\*\*Economic questions: The Hayek question\*\*\*](#)

- \* **Economic questions: The James Buchanan question**
- \* **Economic questions: The J K Galbraith question**
- \* **Economic questions: the Hyman Minsky question**
- \* **Economic questions: the Joseph Schumpeter question**
- \* **Economic questions: The E F Schumacher question**
- \* **Economics questions: the John Rawls question**
- \* **Economic questions: the Thomas Piketty question**
- \* **Economic questions: the Gary Becker question**
- \* **Economics questions: The Greg Mankiw question**
- \* **Economic questions: The Paul Krugman**
- \* **Economic question: the Tony Judt question**
- \* **Economic questions: The Nancy MacLean question**
- \* **Economic questions: The David Graeber question**
- \* **The economic questions: the Amartya Sen question**
- \* **Economic questions: the Jesus of Nazareth question**
- \* **Economic questions: the Adam Smith question**
- \* **Economic questions: (one of) the Steve Keen question(s)**
- \* **Economic questions: the Stephanie Kelton question**
- \* **Economic questions: the Thomas Paine question**

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