

CSAN Statement on the fiscal statement of the Chancellor of the Exchequer presented to Parliament on 23 September 2023

On Friday 23 September, the Chancellor of the Exchequer, the Rt Hon Kwasi Kwarteng MP, presented a fiscal plan to Parliament which represented a sharp departure from the plans of the previous government to push up taxes to pay for public services, including social care and a reduction in the NHS backlog. The Chancellor's intervention on Friday was focused on economic growth by cutting taxes, reversing the National Insurance increase and scrapping a planned increase in corporation tax.

Almost half of the gains from the tax cuts due to come into effect next year will go to the richest 5% of households, at a time when many of the hardest-hit households will struggle this autumn and winter with the cost-of-living crisis, previous government interventions notwithstanding. This is an unjust distribution of resources based on the 'trickle down' theory of economics, which as Pope Francis says in *Evangelii Gaudium*, has never been confirmed by the facts as working for the benefit of the poorest. This approach, the Pope says, "expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile the excluded are still waiting" (EG, 54).

The Department for Social Justice of the Bishops' Conference of England and Wales has already issued a statement on the cost-of-living crisis. That statement, on 5 September, called on the new government, among other things, to uprate welfare benefits, remove the two-child cap on universal credit payments and ensure that in any tax and welfare policy, priority is given to the most vulnerable.

The Chancellor's fiscal statement on 23 September meets none of these requirements. CSAN supports the requests of the Department for Social Justice of the new government and in addition urges the government to ensure there is targeted support for the hardest hit families this autumn and winter, and beyond that a vision for a poverty-free England and Wales. We are deeply concerned about the fate of our public services in the light of the fiscal statement, especially social care and the pressure on the NHS.

Our country needs a vision for the common good in which all can flourish, not a vision of economic growth in which a minority prosper while many struggle. CSAN stands in solidarity with those who experience various forms of poverty which prevent human flourishing and, as Pope Francis tells us, solidarity presumes "the creation of a new mindset which thinks in terms of community and the priority of the life of all over the appropriation of goods by a few" (EG, 188).

The full Briefing Paper from the Bishops' Conference Department for Social Justice can be found here: <https://www.cbcew.org.uk/briefing-cost-of-living-crisis/>.

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