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Hundreds of millionaires advocating for a wealth tax

Djaffar Shalchi (born 1961 in Tehran, Iran) is an entrepreneur and philanthropist who immigrated to Denmark as a child. Since 1999, he has been a self-employed entrepreneur working side by side with his wife, Ané Maro. Together, they have created their fortune through real estate development and trading. Djaffar and Ané founded the Human Act Foundation in 2016 with a vision of a just and sustainable world free from extreme poverty.

Mette Mølgaard Henriksen (MMH): Thank you so much for joining us today. Before we talk more about your engagement in the global movement “Millionaires for Humanity”, can you tell us how you became a millionaire yourself?

Djaffar Shalchi (DS): Yeah, I can do that. My name is Djaffar Shalchi. As you can hear, it's not a Danish name, even though I have lived in Denmark nearly all my life. I was born in Tehran, Iran, in 1961, so I have birthday next month getting 60 years old. I traveled with my parents to Denmark, when I was about eight years old in 1969 and since been living first one year in Vienna in Austria and then in Copenhagen. So, I have been for nearly five decades in Copenhagen, Denmark. I just started to go to school. In Scandinavia we have our beautiful welfare system where everybody can go to school, we can go to the universities, we have a free healthcare system and so on. So I studied hard and became a civil engineer, building engineer, from a Copenhagen university and started to work in 1988. And about 11 years after, I started in 1999 to establish my own company to develop properties in Copenhagen. I have done that the last 20 years now for my own company and I hit the right time. I worked hard and built one after the other and one million got to ten to hundreds and so on. It was in the real estate market by building properties and apartments.

MMH: As part of “Millionaires for Humanity” you signed a letter asking governments to increase taxes permanently for millionaires in order to pay for the recovery from the economic damage that COVID-19 has caused, but also to eradicate poverty. Why are you advocating for a wealth tax?

DS: I will maybe just give you a short background story of why I started all this in 2015, when the United Nations came out with the Sustainable Development Goals. At that time actually, the president of the UN was a Danish politician called Mogens Lykketoft, and at that time, my company was growing and I was quite wealthy, and I didn't see any purpose with that, so I just in my family decided to start a foundation called Human Act Foundation to make physical projects, but the main cause was to go out and advocate for a one percent wealth tax. So we started actually in 2016 working with Jeffrey Sachs from the UN system. He is the director of the UN SDSN (Sustainable Development Solutions Network) and has made two reports for how much a few people can accomplish with just one percent wealth on the wealthiest. Then last year we and some of our partners said we have to come together, let's get a group of multi millionaires to go and just sign the letter and make a small video and call for it by ourselves. That's why the name came up, Millionaires for Humanity, we think it was a good name and it was just out and asking any multi millionaire who wants to be a part of this to sign it. We were lucky to get a little bit more than 110 signatures on it. Some of them were dollar billionaires. That was actually a way to go through the big noise that they have out there. The last five or six years that I have worked with this has shown me how difficult it is to go through all the media and all this noise that's out there. And suddenly you hit some point because I was called by some of my friends from Malaysia, who said, hey Djaffar, what are you doing? You are in the newspaper here. And from Greece, Italy, from many, many countries. Even Forbes, who made the billionaire list, called me and said, hey, can we have an interview, what are you doing here? At the same time, summer last year, António Guterres, the UN General Secretary, was holding a speech for Nelson Mandela Day and in his speech he actually mentioned us and said, hey, I just read that some millionaires also think this is a good idea that doing something to find the financing for the COVID-19 crisis and for our 17 SDGs. That was just the short story about how it started last year, Millionaires for Humanity.

MMH: What is your personal motivation to advocate for a wealth tax?

DS: Actually, it's quite simple for me. I grew up with nothing and I know that many generations in the Danish society have worked so hard to get the welfare system up and running, so I would be quite a bad person if I think that everything I did was only for myself. Somebody say, you know, the self-made man, I don't believe in that. I think it's bullshit. I think society is a big part of who you are. If I didn't have healthy workers and they have good conditions, safety, good roads, and so on. So I think it was quite simple for me to give a part of it back again that had given me so much. I have made philanthropy for many, many years, and I know philanthropy cannot solve everything. It is good, it's decent, I do it, many others do it, but compared to what we need in our total world to solve our big crisis, environmental crisis, the refugees, a huge inequality, one billion people living for under two dollars per day, six million children under six years dying every year because they don't have proper food or water. They cannot be solved by philanthropy, because philanthropy totally in the global world is 24 billion dollars. It's nothing compared to the gap that the UN has for the

Sustainable Development Goals, they're two trillion dollars so you can see it's like a big, big, big, big kind of money that philanthropy is not even close to be part of. So I don't believe that philanthropy can solve our problems, but I believe it's a good thing to do of course and we should of course still do it. But at the same time, I think it's a good idea to come up with a solution that can actually find the two trillion dollars. And that's why we're catching up with Gabriel Zucman, Jeffrey Sachs, Piketty, we are talking with all of them and they are part of it. Imagine one percent of the world's top one percent will exactly give you about three trillion dollars. It's amazing how just the one percent thing can do and I can't even feel it because my wealth is going up about eight-ten percent every year, so it will not even be a part of my wealth, I'll give. I'll just give a little bit of my earnings every year so I can't feel it. It's a big win-win and I will make most of it than the normal population because I have more to lose. I love my children and I have two grandchildren, so I do it for them. I want them to continue to enjoy the world and the beautiful things we have on this planet and not destroy it if you don't come up with any solutions. This is one of the solutions to get financing.

MMH: The COVID-19 pandemic has caused millions of people around the world to lose their jobs. On the other hand, you, like many other millionaires, have increased your wealth. What does that say about our society today?

DS: That says everything about society, and that's why you're saying we need systematic change. We don't need philanthropy, we need systematic change because the systematic change that has eroded our economics came with the trickle down economics in the 80s with Ronald Reagan and the UK saying, hey, let's give the rich guys a tax break, because when they get richer, then the money will be thrown down and we'll take care of everybody and the last four decades have shown, that's not true. Inequality is out of control. In 2007, we had about 350 billionaires in the world with a total wealth of about three to four trillion dollars. Today, we have 2000 billionaires in the world that have a combined wealth of more than 10 trillion dollars. Imagine in the hands of a few people. So that is showing me that we need systematic change. We need to roll back the trickle down economics. We need to go back where people like me pay their fair share of the taxes like we had before in the 80s and not like now. So we are not saying anything special here, we're not communists in any way. I'm a capitalist, but I don't like how we are influencing the system as we are doing, because the more money you have, the more political power you have. So it's just not about us to have all the money. We are actually on the way to hurting our democracy, actually. And that is one of the big parts of why I have gone into this the last six years, I don't like what I'm seeing. I don't like to see how the elite is controlling a big part of our decisions in the parliaments.

MMH: Can you talk about the influence Denmark had on your success as an entrepreneur and also how it impacted your perspective on having a welfare system in society?

DS: The biggest part is, of course, that you don't have to have rich parents exactly like the US that if you don't have rich parents, you cannot go to universities and so on. That's the first

part, you can actually be who you want to be and study if you want to do that. So that is the first part. The second part is you have really good rules in Denmark. You have established the good company structures, you have qualified workers that can get access to and the rules are clear. You can really plan your way to your business. You are sure that nothing totally is going to change and smash your company. So everything is kind of to say totally in order and that's why I feel that we have to remain in that system. We have to protect our welfare system. And if we're not doing it, it will erode slowly and slowly. Unfortunately, I have seen that in Denmark the last three decades also, because when I was young and went to school, we didn't have any private hospitals. We didn't have any private schools, we didn't have all the private things. But today, everything is privatised. I have a daughter, she's 28 years old, she has two boys, three years and six years. When they're sick now, she has two choices. She can take them to the hospital or she can call and pay for it. But when she was six years old, I could just pick up the phone and a doctor came in a taxi, came in and examined her, gave her the pills or whatever, and he was out. It takes half an hour to an hour. We don't have that anymore, that has been cut away because the governments don't have enough money to keep the welfare system. But the paradox is that the Danish society is much richer than three-four decades ago. So where is the money going? Yes, it's going to the elite because ten percent of the elite in Denmark owns more than half of the total wealth in Denmark. So are we going to do the same as the U.S., where in some years one percent will own more than 50? I think we should discuss that, are we on the right path here or what? I think we should speak out and be honest about it. Come on.

MMH: You are currently 112 millionaires in the movement “Millionaires for Humanity” and you are trying to persuade other wealthy people to support the idea of a wealth tax. How are you progressing?

DS: Actually, it's going really well. We have established here the start of this year, a special secretariat only for that. So we are now four to five people that only are working for Millionaires for Humanity and has laid out at template about how many we want to reach out to and I had a lovely conversation with a millionaire from Finland yesterday and she said immediately, yes I want to be part of it and I will go to Finland and find more like me, because we have to be many people on this to go and advocate for saving our planet. So it's going well and I'm optimistic.

MMH: Should millionaires exist?

DS: I think millionaires should exist, because I think it's OK if you have the talent, like I had, to go and really make a great business that benefits the society and then also, of course, have some system where the money, some of it, is going back into society and not that I can hide it in the Cayman Island or Bahamas or where they're hiding the money. If we can structure it, so it's a fair system, I think it's ok to be a millionaire. But if you had asked me if it's OK to have billionaires, I would probably say no, because to be a billionaire then you have a business,

where you have a monopoly and so on. I don't think that's good for the small businesses because we're killing them. So normal millionaires I think it's OK, but billionaires no, I don't think there's any room for them because we don't want the oligarchy here and we don't want them to run our beautiful world. It should not be in the hands of a few people, no. It should be in the hands of people, in our government, in a democracy.

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