

# Tax for the world



# Tax and sustainability



# Directly



# Indirectly or sectorally

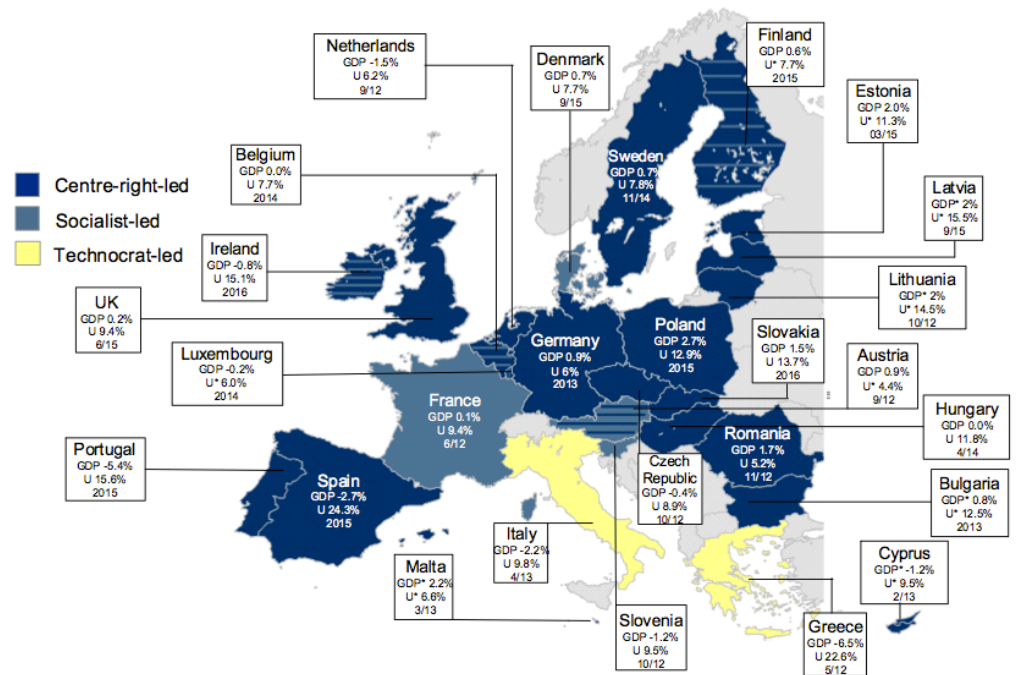




# Tax can be national

## Tax defining a nation

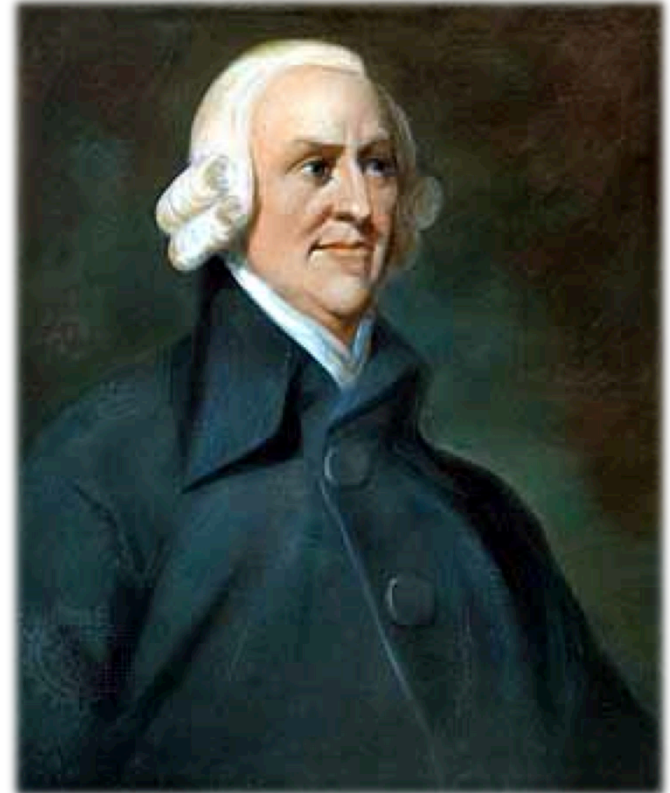
- Who to tax?
- What to tax?
- How to tax?



Source: GDP and U by CIRA, GDP\* and U\* by IMF Economic Outlook, Election Dates by IFES Election Guide  
Note: GDP represents forecast economic growth for 2012, U unemployment forecast for 2012, (XXXX) corresponds to date of next major elections. Lines in a country represent a coalition government, with the main color as the political orientation of the leading Party, e.g. Austria's main party: socialist-led.

# A “good” tax should be ...

- Cheap to collect
- Predictable
- Convenient to pay
- Hard to avoid
- Linked to ability to pay
- *Neutral?*
- *Progressive?*
- *Fair?*



# Why isn't that working?

Globalisation

Competition

Intangibles

Digital  
economy

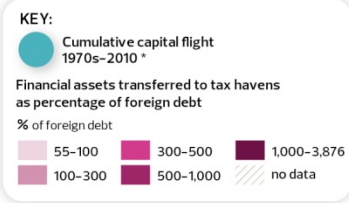
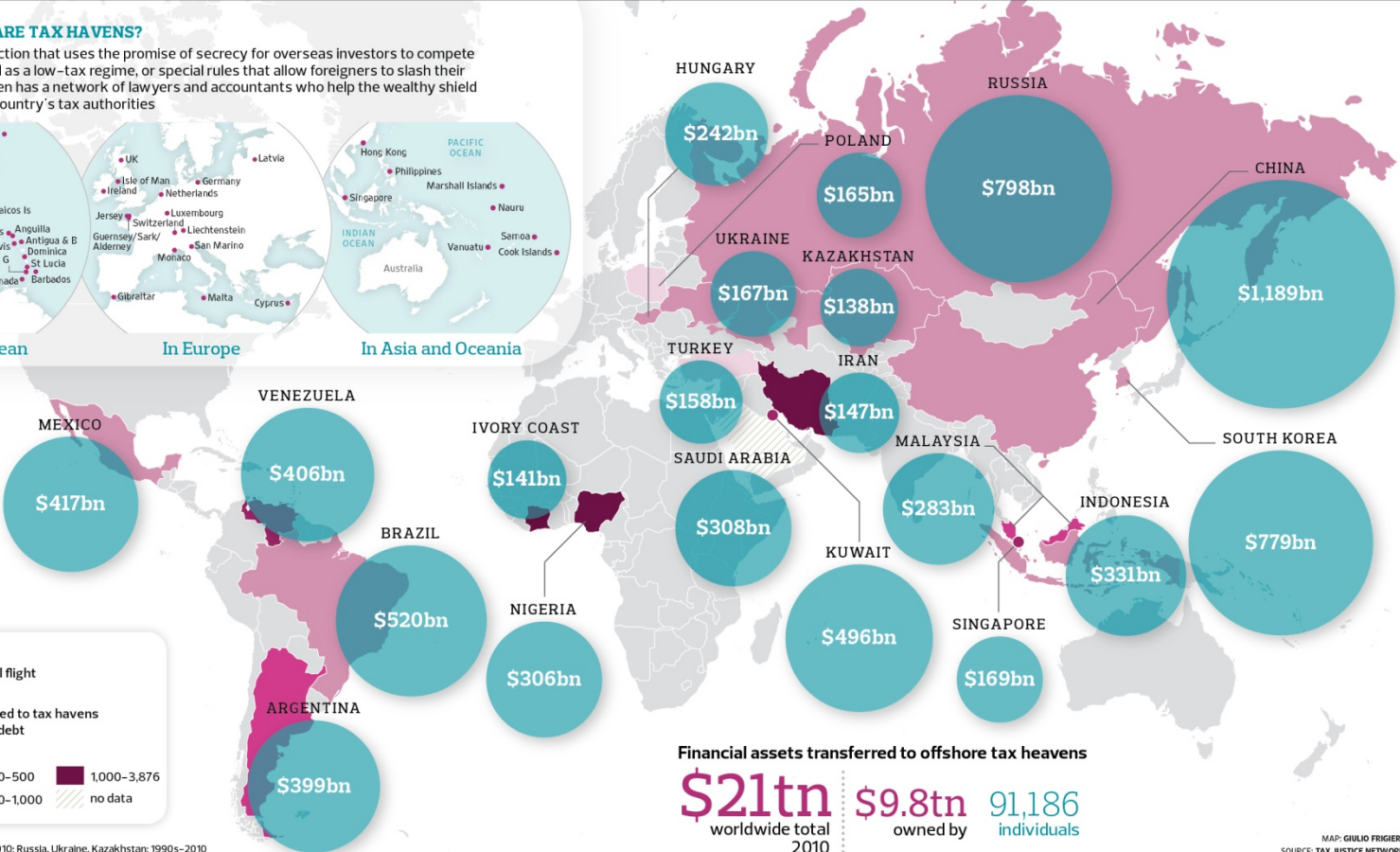
Power

# So we have capital flight

## CAPITAL FLIGHT FROM DEVELOPING COUNTRIES: THE TOP 20 LOSERS

### WHERE AND WHAT ARE TAX HAVENS?

A tax haven is any jurisdiction that uses the promise of secrecy for overseas investors to compete for financial flows. As well as a low-tax regime, or special rules that allow foreigners to slash their liabilities, a tax haven often has a network of lawyers and accountants who help the wealthy shield assets from their home country's tax authorities



**Financial assets transferred to offshore tax havens**

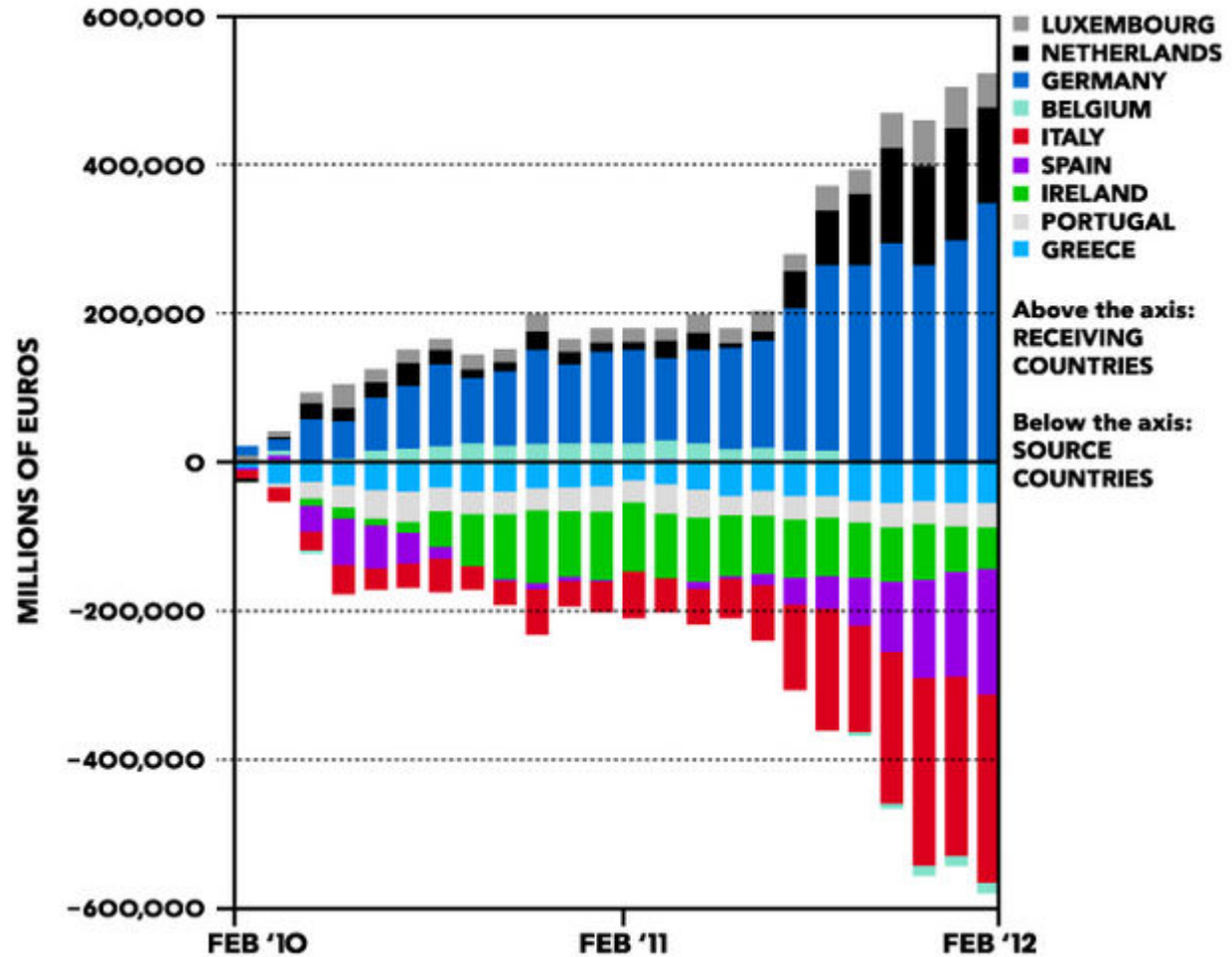
**\$21tn** worldwide total 2010

**\$9.8tn** owned by **91,186** individuals

\* China, Poland, Hungary: 1980s-2010; Russia, Ukraine, Kazakhstan: 1990s-2010

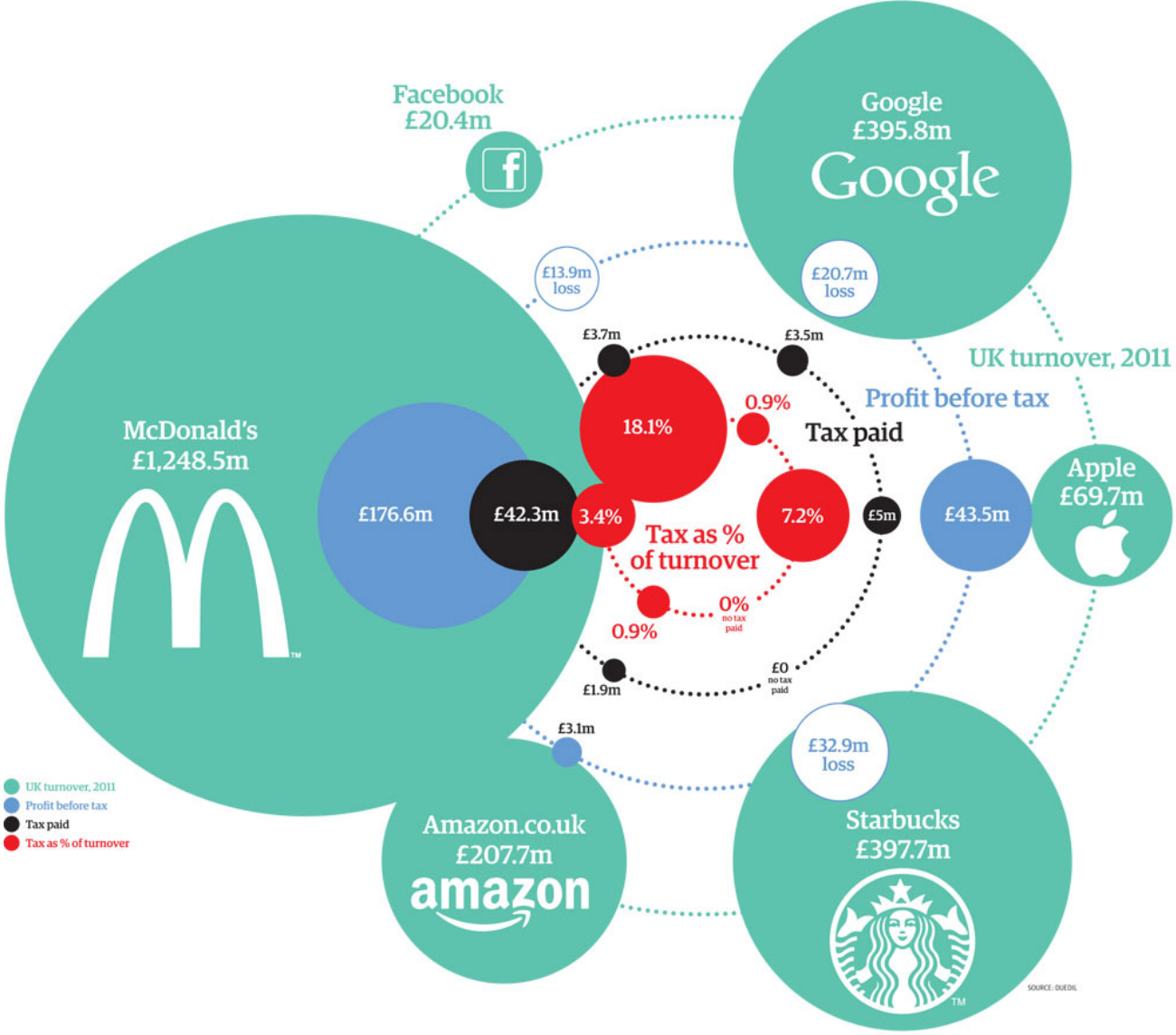
MAP: GIULIO FRIGIERI  
SOURCE: TAX JUSTICE NETWORK

# ... even in Europe



Capital flight in the euro zone (selected countries, cumulative since Feb. 2010) Source: Bloomberg, from National central banks

# Avoidance measured nationally



Source: Guardian



... impacts internationally





# International tax bodies

- **UN**
- **OECD**
- **EU**
- **Troika**

Withholding taxes



# International tax bodies

- UN
- **OECD**
- EU
- Troika
  
- BEPS



# International tax bodies

- UN
- OECD
- EU
- **Troika**



But impact is very, very local

# International tax bodies

- UN
- OECD
- **EU**
- Troika



sales ... assets ... employees



# People power?

- Accountability
- Education
- Dialogue

