Reinventing Tax Justice to Achieve Social Justice

Current challenges, future opportunities

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Yes, GATJ, VIDC, EADI, but also:

Many risking their lives to achieve tax and social justice…

GUATEMALA

ZAMBIA
Three global issues to protect future generations

1. Addressing issues of Inequality
2. Fairer distribution of the rewards of globalization
3. Protecting the environment, including potentially a carbon tax

Our focus: items (1) and (2)
Close linkage between Tax Justice and Social Justice. Why?

- Poverty is a violation of human rights;
- This violation needs to be addressed if we are to achieve social justice;
- Tax justice provides a very important resource for development;
- It has the potential to impact both human rights and social justice.
Globalization and the Role of the Corporation

* Have corporations won on the issue of tax justice?
* A view from inside the Board Room…
* And why the status quo continues…
"Yes, the planet got destroyed. But for a beautiful moment in time we created a lot of value for shareholders."
Globalization and the Role of the Corporation

* But are corporations really not that vulnerable...
* Another view from inside the Board Room
* Who are the powers outside the Board Room
Important goals in the area of Corporate Taxation

* Protecting the corporate tax base
* Addressing the issue of tax competition, Lux Leaks, et al
* Enhanced use of the profit split method, and advancing unitary taxation
A Case for Transparency

* Shell Corporations,
* Beneficial ownership,
* Country by country reporting,
* Exchange of Information
* Is the cup half full or half empty?
A Case for Transparency

* On shell corporations and beneficial ownership, are we missing the forest from the trees?
* Should harmonization of predicate offenses be a major first step?
* What should be our research and campaign priorities?
A Case for Transparency

* On Country by Country Reporting and Exchange of Information, how do we evaluate progress?

* What should be our research and campaign priorities?
Tax and Budget Policies to End Inequality

* Strengthening the national tax systems is very important,
* But what are we missing here?
* Four important areas to enhance host-country tax revenues
**Tax and Budget Policies to End Inequality**

* Actions that countries can take on their own
* Address the informal economy and bring it more into the formal sector
* For resource rich countries, assist them in renegotiating mining contracts
* Focus also on local governance and corruption.
Tax and Budget Policies to End Inequality

* Don't underestimate the BEPS process, environment could change very quickly,
* Strengthen both local tax administration and Inspectors beyond Borders
* Focus also on the research gaps
Why is this important?

Tax Justice is a pathway to social justice
What else needs to be done?

* Protect whistleblowers,
* Banking secrecy and welcoming the proceeds of illicit activity perpetuates inequality
* Under Swiss law, exposing a crime is a crime....only country to do so
* Still, empathize with your adversaries, and get more of them on board
Some words of caution

* Let us not vilify the MNC’s
* At the same time, do not underestimate the power of their lobby groups

Such power can only be countered by a broad coalition of civil society on your side.
Conclusion

* Power and importance of the tax justice movement
  (John Ruskin and Samuel Taylor Coleridge)
* Without it social justice is difficult to achieve
* Our pathway is clear and there is much to do
Justice and power must be brought together, so that whatever is just may be powerful, and whatever is powerful may be just.

Blaise Pascal