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COMING SOON – A UN CODE OF CONDUCT ON TAX EVASION?

A code of conduct can help create a climate of opinion where tax cheats cannot successfully pose as refugees from oppressive government but instead are seen for what they are—selfish, self-absorbed people who undermine good government and help keep two-thirds of the world locked in poverty.

Responsible governments have become increasingly alarmed about the widespread use of tax evasion and abusive avoidance schemes to subvert their tax systems. Developing countries in Africa and elsewhere have seen their domestic capital, much needed for internal development, being spirited out of their country to financial centres in places such as Singapore, Liechtenstein, Niue, Cyprus, Panama, and numerous Caribbean countries that have laws and practices designed to attract the hot money. The recent Liechtenstein bank disclosures and the disclosures of allegedly criminal conduct by partners at KPMG have demonstrated beyond debate (once again) that international tax evasion and abusive tax avoidance are being facilitated knowingly by international banks and accounting firms that were once viewed as pillars of integrity.

Stopping international tax evasion (which is, by definition, illegal) and abusive tax avoidance (which, by definition, contravenes the will of elected legislatures) is exceedingly difficult unless countries work together in a co-operative way. The League of Nations, which set itself the goal in the 1920s of ensuring that income is taxed "once and only once," recognised from the start that cooperative international efforts were essential for success. The OECD, in the late 1990s, seriously attempted to build a coalition of developed countries to act together to require transparency in international banking. However, after some initial successes, the efforts foundered, partly because the United States defected after the change in government following the 2000 election. But a more permanent problem for the OECD is that it is a regional institution – a so-called rich-man's club – so it lacks the legitimacy to establish international norms applicable to all countries.

There is one organisation, however, that does have the legitimacy to speak for the global community: the United Nations. Within that body is the Committee of Experts on International Cooperation in Tax Matters (often known as the UN Tax Committee),

Surprising bedfellows: tax havens dominate the UN tax committee

which traces its roots back to 1967. It is the spiritual successor of the Fiscal Committee of the League of Nations—the author of the first model tax treaty, published in 1928. In November 2006, the UN Tax Committee took a first step towards establishing such global norms by voting to approve – though only in principle at this stage – a code of conduct for co-operation on controlling capital flight and international tax evasion and avoidance. It will probably be known as the *United Nations Code of Conduct on Cooperation in Combating International Tax Evasion*. The UN Tax Committee has asked me to work on this.

A UN Code of Conduct (which is not the same thing as TJN's Code of Conduct for Taxation – discussed in TJF vol. 3 no. 2) would set minimum standards for countries on co-operation on measures to combat capital flight and international tax evasion and abusive tax avoidance. More specifically, I have suggested that it should have these goals:

First, to assist in developing international norms for governments to follow, in order to stop international tax evasion and to avoid facilitating such evasion

Second, to encourage governments to take practical steps to combat such evasion.

Third, to identify forms of aggressive and abusive tax avoidance that do not conform to an emerging international standard, and to distinguish such practices from normal and legitimate tax planning.

Fourth, to provide guidance to members of the private sector, such as banks and accounting firms, that wish to conform to an emerging international standard of conduct.

Fifth, to provide moral support to civil society organisations seeking to tackle international tax avoidance and evasion.

A useful code would include the following elements:

- A requirement of transparency in financial matters that would, for example, limit bank secrecy rules.
- An agreement to exchange information on tax matters with other governments.
- A commitment to avoid establishing legal instruments intended to confound tax enforcement, such as trusts with undisclosed terms.
- Compatibility with emerging standards with respect to "know your customer" rules for banks and other financial intermediaries and "know your shareholder" rules for corporations and other legal entities.
- A commitment to adopt and enforce reporting rules, such as rules on large cash transfers.
- A clear distinction between normal and acceptable tax planning activities that are conducted primarily for business reasons and abusive forms of tax avoidance that arguably could constitute tax evasion if all the relevant facts were known.

To have maximum impact, a Code of Conduct should be adopted by the General Assembly of the United Nations. But several steps are needed first. I prepared a report for the UN Tax Committee's session in October 2007 which elaborated on the possible scope of a Code of Conduct, and described the procedural issues involved in getting it approved by the relevant UN bodies. I revised that proposal in light of comments on a first draft from members of the UN Tax Committee and from country representatives and observers. It is now anticipated that the Committee will consider approving a Code of Conduct at its meeting this October, then present it to its parent body, the UN Economic and Social Council (ECOSOC); which would then hopefully adopt the code (with whatever revisions it wishes to make) before sending it up to be adopted by the UN General Assembly.

But even adoption by the General Assembly will not be enough to make a real difference in the world. It is essential that it is promoted vigorously not only by signatory governments, but also private actors and members of civil society.

Codes of conduct are sometimes referred to as "soft law" because they do not provide for explicit methods of enforcement. They are aspirational, not operational. They seek to mobilise public opinion (or at least the opinion of relevant actors); and they work through persuasion, not legal force. For years, countries have treated international tax evasion and abusive tax avoidance with benign neglect. We are now seeing signs that world opinion is turning in support of action against the world's tax cheats and those who help them.

A code of conduct can help create a climate of opinion where tax cheats cannot successfully pose as refugees from oppressive government but instead are seen for what they are—selfish, self-absorbed people who undermine good government and help keep two-thirds of the world locked in poverty.

Michael J. McIntyre is Professor of Law at Wayne State University Law School.

THE ROAD TO DOHA

editorial

Jean-Claude Juncker, Prime Minister of Luxembourg, a secrecy jurisdiction, warned in early March against hasty changes in the wake of the emerging Liechtenstein scandal, saying he was looking forward to "many years of fascinating and fundamental discussions." This delaying tactic illustrates the cynicism of the powerful interests that will resist tackling the corruption of tax havens. Yet all is not lost, for profound change is in the air…

For the first time in decades, several major trends are pushing in favour of the tax justice agenda. In the last few weeks, we have started to become more confident that a tipping point is being reached.

The vested interests that oppose us include some of the world's most powerful actors. Yet there are grounds for real optimism: the power of ideas can overturn even the greatest obstacles, and the new trends in our favour are formidable. Now more than ever it is urgent that civil society groups, many of which have ignored these complex issues, intervene decisively so that that the colossal potential gains for the citizens of rich and poor countries can be realised.

The new trends are emerging around six inter-connected themes.

The ***first*** *is* a broad awakening now discernible among some of those concerned with poverty and international development – and relates to this edition's focus: a *Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus* due in Doha, Qatar from November 29th to December 2. Many heads of state and of government will attend. The process of raising awareness in preparation for Doha will be as important as the Doha outcomes – which will themselves serve as a global reference point for international development for years to come. A central theme for Doha is to help developing nations mobilise domestic resources – and this means tackling capital flight and tax evasion. Transparency in international finance is essential if we are to curb these global scourges."

For too long, an overriding focus on boosting aid has obscured this much bigger issue. Official aid flows, currently at about $100 billion per year, are dwarfed by illicit flows and lost taxes. The World Bank and the UN Office of Drugs and Crime reported when they launched the Stolen Asset Recovery (STAR) Initiative last year that annual illicit financial flows from criminal activity, corruption and tax evasion range from US$1 trillion to US$1.6 trillion, half from developing and transitional countries. We bring fresh data and research on page five of this edition: **James Boyce** and **Léonce Ndikumana** of the University of Massachusetts, Amherst count more than $600 billion drained from Africa in capital flight.

In our lead article on page one, **Michael J. McIntyre** describes his role preparing a forthcoming UN Code of Conduct for tackling tax evasion. It is crucial that civil society supports this Code and resists the lobbyists and tax haven interests that will seek to block it or water it down as it passes through the UN system.

David Spencer, on page seven, explains the three main themes to pursue in the preparations for, and beyond, Doha. The exchange of tax information between governments must be improved; tax administration and enforcement in developing countries must be strengthened; and tax evasion must be treated in appropriate international forums and protocols as corruption, as money laundering, as a suspicious activity, and as theft of public assets. He also looks at which elements in the UN system should be supported, expanded or changed.

Alex Wilks, co-ordinator of the European Network on Debt and Development (Eurodad) asks on page nine why NGOs have been so reticent to take up the tax justice agenda in the past, and explores why this is now changing. Then, on page 11, **Jo-Marie Griesgraber** looks at an ambitious new project under UN auspices involving TJN and her Washington-based organisation *New Rules for Global Finance*. It seeks to broaden the grass-roots push for international tax reform by boosting the involvement of developing nations' governments, complementing what NGOs are already pushing for.

"In the last few weeks, we have started to become more confident that a tipping point is being reached."

"Financial deregulation starting in the 1970s provided the oxygen allowing secrecy jurisdictions and the abusive tax practices they facilitate to flourish and metastasize through the global financial architecture. The credit crisis has shattered confidence in the self-regulating powers of markets and thrown deregulation into reverse."

Attiya Waris, in a book review on page 4 describing an emerging current of research in the field of aid and development, identifies a **second** trend now moving in favour of tax justice. Research on tax is now expanding beyond its hitherto obsessive focus on revenue-raising and efficiency, and this important new book explores how tax can also play a central role in building states and shaping their ties to society. As the book says: *"The state-building role of taxation can be seen in two principal areas: the rise of a social contract based on bargaining around tax, and the institution-building stimulus provided by the revenue imperative. Progress in the first area may foster representative democracy. Progress in the second area strengthens state capacity. Both have the capacity to bolster the legitimacy of the state and enhance accountability between the state and its citizens."* Students of European and American history have known this for years; only now are these matters starting to be taken seriously in the field of international development.

A ***third*** element in the global shift in mood against the secrecy jurisdictions is an awakening in civil society in both Europe and North America about the effects of these jurisdictions on their own countries. TJN has played a part in this, and a recent comment article in the *Financial Times* by John Christensen and David Spencer offers pointers for change. In Britain and the Netherlands, for example, newspaper articles are now prompting parliamentary debates about whether democratic societies should accept aggressive tax avoidance by retail giants or by banana companies and others, or whether Britain's "domicile" rule allowing the wealthiest sections of society to escape much of their tax bills, can be tolerated. A Norwegian-led task force, supported by civil society, is now targeting capital flight and tax evasion; and the article on page 12 describes a new multi-year research project, funded by the *Ford Foundation* and involving TJN and Washington-based *Global Financial Integrity (GFI,)* which will for the first time properly expose the global infrastructure of secrecy jurisdictions.

Sven Giegold, also on page 12, discusses the Liechtenstein scandal, which has generated a new reservoir of political will in Europe that constitutes the European-focused ***fourth*** strand favouring the tax justice agenda. Giegold describes the debate's evolution in Germany, then draws conclusions. The battle will not be easy: Switzerland, Monaco, Luxembourg, the United Kingdom and others will fight against reform, and some dirty money will flow elsewhere – notably to what will probably become the new pariah: Singapore. Giegold warns against complacency.

A ***fifth*** element, complementing the fourth, involves the United States, where the cross-party *Stop Tax Haven Abuse Act* has been co-sponsored by the Democrat senators Barack Obama and Carl Levin, and the Republican senator Norm Coleman. Since last year some senior Republicans, among many others, have expressed unease about the relentless tax-cutting agenda, signalling the start of an ideological sea change which may now be underway there. Whoever wins the forthcoming presidential election in the United States, it appears inevitable that there will be fundamental reform, along with more transparency and better international co-operation on tax and regulation.

All these trends will be reinforced by a ***sixth***, which could become the most potent. Martin Wolf of the *Financial Times*, one of the world's most influential economic commentators, wrote: "Remember Friday March 14 2008: it was the day the dream of global free-market capitalism died. Deregulation has reached its limits." The date Wolf identifies – the day the U.S. Federal Reserve rescued the investment bank Bear Stearns – is not so important in this context, but the comment is. A financial deregulation process that started in the 1970s provided the oxygen allowing secrecy jurisdictions and the abusive tax practices they facilitate to flourish and metastasize through the global financial architecture, not just in the island tax havens of popular perception, but also insidiously into mainstream finance. The credit crisis has shattered confidence in the self-regulating powers of markets, and decisively thrown the deregulation process into reverse. The credit crisis will bring pain to millions of people, but it will also, like the other five trends, advance the tax justice agenda. We can at last look forward to an era of better transparency and improving international co-operation in international finance.

This edition contains more tax justice news, and a book review about consumption taxes and their relevance in the United States.

Nicholas Shaxson and John Christensen

feature

CAPITAL FLIGHT FROM SUB-SAHARAN AFRICA

Léonce Ndikumana & James K. Boyce

Capital flows between sub-Saharan Africa and the rest of the world present a striking paradox. On the one hand, African governments are heavily indebted and have been forced by external debt burdens to undertake painful economic adjustments in recent decades, curtailing the provision of vital social services to their populations while devoting scarce foreign exchange to debt-service payments. On the other hand, sub-Saharan African (SSA) countries have experienced massive outflows of private capital to Western financial centres. Indeed, these private assets surpass the subcontinent's foreign debts.

In the 35-year period from 1970 to 2004, total capital flight from 40 SSA countries amounted to $420 billion (in 2004 dollars), compared to a total external debt at the end of this period of $227 billion. If we impute interest earnings on flight capital, the accumulated stock of capital flight at the end of 2004 was even greater at $607 billion.

Sub-Saharan Africa in this sense is a *net creditor* to the rest of the world: the region's external assets exceed its external liabilities. But there is a crucial difference between the two: the subcontinent's external assets belong to private individuals, whereas the external debts are borne by the governments, and through them by the African people as a whole.

Adding to the irony of SSA's position as net creditor is the fact that a substantial fraction of the money that flowed out of the country as capital flight appears to have come to the subcontinent via external borrowing. Part of the proceeds of loans to African governments from official creditors and private banks has been diverted into private pockets – and foreign bank accounts – via bribes, kickbacks, contracts awarded to political cronies at inflated prices, and outright theft. Some African rulers, like Congo's Mobutu and Nigeria's Sani Abacha, became famous for such abuses.

This phenomenon was not limited to a few rogue regimes. Statistical analysis suggests that across the subcontinent the sheer scale of debt-fueled capital flight has been staggering. For every dollar in external loans to Africa in the 1970-2004 period, roughly 60 cents left as capital flight *in the same year*. The close year-to-year correlation between flows of borrowing and capital flight suggests that large sums of money entered and exited the region through a financial "revolving door." This implies that the real counterpart of many assets on the balance sheets of creditor banks is private deposits in many of the same banks by individuals belonging to Africa's political and economic elites.

Our analysis of African capital flight in this period also reveals a "debt overhang" effect, whereby increases in the accumulated stock of external debt spurs further capital flight in subsequent years. Rising debt may induce residents to shift liquid assets abroad in anticipation of currency devaluation and other macroeconomic problems. In the region as a whole, a one-dollar increase in the debt stock on average triggered an additional 3 to 4 cents of capital flight per year. In other words, debt-driven capital flight over the medium-to-long term exacerbated the short-term hemorrhage caused by debt-fueled capital flight.

Efforts to identify, recover and repatriate illicit private fortunes held abroad are one way African people and their governments can try to repair the damage. This is difficult, however: it places the burden of proof on African governments to locate and reclaim the money. The Stolen Asset Recovery (STAR) initiative, launched last September by the World Bank and the United Nations Office of Drugs and Crime, may help improve the prospects. But forcible repatriation offers only limited possibilities for easing SSA's debt burden.

A complementary strategy would be for African countries to repudiate debts that financed the accumulation of private assets on the grounds that these debts are *odious*. This is equivalent to asset repatriation: it blocks the final spin of the "revolving door." For Africa, the net capital loss from debt-

"The real counterpart of many assets on the balance sheets of creditor banks is private deposits in many of the same banks by individuals belonging to Africa's political and economic elites."

"For every dollar in external loans to Africa in the 1970–2004 period, roughly 60 cents left as capital flight in the same year."

fueled capital flight comes not from the initial two-way flows but from the resulting debt-service payments in subsequent years. African countries cannot close the stable door after the horse has bolted, but they can cut their losses because they haven't yet paid for the horse. In addition, repudiating odious debt would help deter future capital flight fueled by irresponsible lending.

In international law, a country's debts can be considered "odious" if three conditions hold: (1) *absence of consent:* the debts were incurred without the consent of the people, which is typically the case when debts were borrowed by undemocratic regimes; (2) *absence of benefit:* the borrowed funds were used not to benefit the people, but instead benefited the rulers, possibly including for repression against the people; and (3) *creditor awareness*: creditors were aware or should have been aware of (1) and (2).

It is hard to distinguish, however, between legitimate debts and odious debts. Putting the burden of proof on debtor countries to establish the "odious" nature of debts could often impose insuperable transaction costs. Another way would be to put the burden of proof on the creditors to demonstrate the legitimacy of the debts contracted by previous regimes. Sub-Saharan African governments would tell their creditors that outstanding debts will be treated as legitimate if, and only if, the real counterparts of the debts can be identified and shown to have benefited the people of the country. If the creditors can document where the money went, and show when and how it benefited citizens of the borrowing country via investment or consumption, then the debt would be regarded as a *bona fide* external obligation of the government (and hence an external asset of the creditor bank or government). But if the fate of the borrowed money cannot be traced, then the present African governments must infer that it was diverted into private pockets associated with the former regimes, and possibly into capital flight. In such cases, it can be argued that the liability for the debt lies not with the current government, but with the private individuals whose personal fortunes are the real counterpart of the debt.

One possible objection is that lenders may retaliate and refuse to lend to countries whose governments opt to repudiate odious debts. But this concern may be exaggerated. Many African countries currently receive little new net borrowing; indeed many today experience negative net transfers, paying more in debt service than they receive in new money. Such debtor countries can easily endure the "punishment" of credit rationing. Moreover, invoking the odious debt doctrine is not equivalent to across-the-board debt repudiation. Legitimate creditors have no

Total capital flight from selected African countries, 1970-2004
(million 2004 US $ and as % of external debt)

Country	Cumulative capital flight ($ million)	Capital flight stock with imputed interest earnings	Capital flight stock as % of external debt
Angola	42179	50951	535.2
Burundi	2074	2567	185.3
Cameroon	18379	27288	287.4
Chad	1338	2346	137.9
Congo, Dem. Rep.	19572	36738	310.3
Cote d'Ivoire	34349	54001	460.0
Ethiopia	17031	22526	342.6
Kenya	2665	6369	93.3
Nigeria	165697	240781	670.9
South Africa	18266	17492	176.0
Uganda	4982	6854	142.1
Zimbabwe	16162	24556	511.9

reason to fear, given that legitimate loans will be duly repaid. Indeed the prospects for their timely repayment will be enhanced if countries now longer face the additional burden of servicing illegitimate loans.

This strategy would also enforce and reward responsible lending practices by western financial centres as well as transparent and responsible debt management by African leaders. It could yield a win-win outcome for lenders and borrowers. There is certainly a risk that debtor countries would be overly expansive in defining what constitutes "odious debt" if they could repudiate such debt unilaterally, without recourse to legal proceedings to assess the merits of the case. To address this concern, it would be useful to establish an international institution to adjudicate questions of debt legitimacy in developing countries, especially postwar countries – a move that the Norwegian government proposed in October 2005.

As Africa searches for ways to reach financial stability and to increase resources for development financing, we believe that addressing the problem of capital flight ought to feature prominently in debates at the national level as well as in the international development assistance community.

Léonce Ndikumana and James K. Boyce are professors of economics and senior researchers at the Political Economy Research Institute at the University of Massachusetts, Amherst. This article is based on their paper, which will be available soon here.

FROM MONTERREY TO DOHA: AN OVERVIEW

feature

David Spencer

The Monterrey Consensus is the outcome of a meeting convened by the United Nations of more than 50 heads of state and government in 2002. It calls on the interntional community to support, among other things, developing nations' efforts to "mobilize domestic financial resources for development" and to help curb capital flight and improve domestic tax systems. It has become a global reference point for international co-operation on aid and development finance.

At its 2005 World Summit, the UN's General Assembly, building on the Monterrey Consensus, resolved to "support efforts to reduce capital flight and (to support) measures to curb the illicit transfer of funds." In December 2007 the General Assembly resolved to hold a "*Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus*" to be held in Doha, Qatar, from November 29 to December 2 this year.

The objectives of these emerging initiatives are all undermined by *de jure* and *de facto* bank secrecy and the tax-free treatment that secrecy jurisdictions provide. This facilitates and encourages capital flight and other illicit financial flows from developing countries; it weakens the rule of law and domestic political institutions there; it undermines tax administrations, and reduces tax revenues in developing countries. There are currently no global, multilateral agreements or bodies enabling developing countries easily to "see" what income is earned by their residents' overseas assets in places like the United States, United Kingdom, Switzerland, Luxembourg, Singapore or anywhere else, and mechanisms to enable them to recover the taxes owed on that income are lacking.

"Each country has the sovereign right to design its own tax system. But no country has the right to encourage or facilitate residents/citizens of other countries to violate the tax laws of such other countries."

Mali, like much of West Africa, has been impoverished by tax evasion (Photo: John Christensen)

As the editorial piece in this edition of Tax Justice Focus illustrates, the size of these illicit flows and lost taxes greatly exceeds the value of official development assistance. It seems hypocritical for OECD member countries to supply aid to developing countries, then extract significantly larger amounts "under the table."

In the context of the lead-up to the Doha conference, the Tax Justice Network urges governments, civil society actors and others to support it in three main areas of engagement.

First, finding ways to improve exchange of tax information between governments; **second**, strengthening tax administration and enforcement in developing countries; and **third**, having tax evasion treated as corruption, money laundering, and as a suspicious activity.

As regards the **first** of these – increasing effective exchange of information between governments – TJN is pursuing or pushing for the following:

"Civil society groups should engage robustly during this process. Otherwise, other powerful forces in the world economy will face little resistance as they shape the Doha agenda according to their own interests – potentially with exceedingly negative consequences for billions of people."

- Developing a code of Conduct on Cooperation in Combating Capital Flight and International Tax Evasion (see Mike McIntyre's article in this edition of TJF).
- A Report, which TJN could produce, on what constitutes "effective exchange of information."
- Better liaison between the UN Tax Committee and the OECD on technical aspects of exchange of information.
- The IMF and World Bank including in their Reports on Standards and Codes (ROSCs) whether a country engages in effective exchange of information.

The **second** avenue: strengthening tax administration and enforcement in developing countries, involves these aspects:

- Strengthening international tax collection and tax enforcement, in accordance with the OECD and UN model income tax treaties.
- Fostering greater efforts by the IMF, World Bank and OECD to improve tax administrations in developing countries.[1]
- Strengthening international organisations that work on tax administration issues.
- Better and stronger South-south cooperation on international tax issues, including tax administration in particular (see Jo-Marie's article in this edition).

The **third** main element – having tax evasion treated as corruption, as a suspicious activity, and as money laundering, would involve three main approaches:

- Capital flight and tax evasion should be treated as corruption for the purposes of anti-corruption laws and treaties, and the International Financial Institutions should expand the definition of corruption in their uniform framework for preventing and combating fraud and corruption.
- Capital flight and tax evasion should be treated as suspicious activities and as money laundering for the purposes of the Financial Action Task Force (FATF).
- Evaded taxes (which are stolen government assets) should be treated as stolen assets; tax evasion should be treated as theft of public property.

In the context of these recommendations, the Doha process should not be seen as the end of the matter, but merely a milestone in a longer-term push.

Yet beyond the needs identified above, progress is needed in other areas. New studies are required on the impact of transfer mispricing; on the impact of tax competition on developing countries; and on the role of intermediaries (such as accountants and lawyers) in international taxation.The scope of the current OECD project on intermediaries should be expanded.

There must also be greater focus on the tax aspects on the misuse of legal entities such as trusts; and more efforts on repatriating the proceeds of capital flight and tax evasion. There should also be efforts to assist the governments of jurisdictions currently dependent on the offshore sector which would be adversely affected by these proposals.

Finally, we would recommend that the political processes inside the United Nations system be improved. The UN Tax Committee should be upgraded from an expert committee to a full intergovernmental committee. Its composition should properly represent developing countries: currently, secrecy jurisdictions improperly make up too large a share of the representation allocated to developing countries. The UN Tax Committee should also file an annual report to ECOSOC focusing on its work on developing country matters – especially on capital flight and the consequent tax evasion and on how they can mobilise domestic resources better.

One very important change now required is that civil society groups concerned with the prospects for developing countries should engage robustly during this process. If this does not happen, other powerful forces in the world economy will face little resistance as they shape the Doha agenda according to their own interests – potentially with exceedingly negative consequences for billions of people.

David Spencer is an attorney practising in New York, and a Senior Adviser to the Tax Justice Network. David Spencer made a more detailed set of recommendations to the UN Tax Committee in September 2007, which can be accessed here.

1 In Accordance with the March 13, 2002 *Joint Proposal by the Staffs of the IMF, OECD and World Bank: Developing the International Dialogue on Taxation* (Joint Proposal). More attention must also be paid to the state-building role of taxation, as described in Attiya Waris' book review on p14.

WAKING THE SLUMBERING GIANTS: WHY DEVELOPMENT NGOS HAVE BEEN SLOW TO TAKE UP TAX JUSTICE.

feature

Alex Wilks

What is the most important issue in development finance today? If you are a regular reader of this newsletter, you'll know. John Christensen and David Spencer of TJN spelled out in the Financial Times *in March that "Tax, not aid, is the most sustainable source of finance for development". So why do the vast majority of development NGOs work on aid, and so few on tax justice?*

The FT piece called for civil society groups "to wake up", implying that they are mostly asleep on their watches. This is harsh, but it is true that too few groups are taking a broader look at South-North capital flows. Of Eurodad's 54 member groups fewer than 10 work on tax and capital flight on a sustained basis, although the number is growing rapidly.

When I ask people why they are not yet working on this, the first reply is almost always that it is very complex and quite abstract. It can be hard for NGO policy and campaigns staff to understand, to communicate across their organisations, and to persuade all team members that this is an agenda to engage with. Some also say that the topic is quite arid and lacks the immediacy of several other topics and campaigns. It is a challenge to think of a campaign recruitment drive where you approach church goers, festival punters, or neighbours saying "have you got a moment to talk about tax?" A rival campaigner showing a picture of a landmine victim is likely to have more success.

Then, when people do dive in, they find that solid numbers to build a case are hard to come by – this being the nature of clandestine flows and hidden transactions. Managers and boards in many NGOs require tight business cases to be made for potential new campaigns. Candidate ideas must pass tests not only to prove that the problem is important, but above all that something can be done over the 3–5 years of a typical NGO campaign. Many NGOs may not yet be convinced there is a real chance to make a difference, especially as tax havens and corporations will not give up their gains without a fight. Some NGO managers also fear they may be victims of costly libel suits if they mention companies evading taxes owed to developing countries.

Jens Martens, in his report *The Precarious State of Public Finance* (link: here), also hints that many development groups worry that the tax justice agenda may let rich country governments off the hook. NGOs, he argued, reacted rather sceptically to the Monterrey Financing for Development Conference outcomes which emphasised mobilising domestic resources. "They suspected (not without good reason), that governments of rich countries wanted to deflect attention away from their own responsibilities and the necessary reforms of the international economic and financial system."

TJN colleagues face a more philosophical barrier too. In principle, everyone can agree that taxes are a necessary part of building a civilized society, but many NGO activists are deeply sceptical about building strong states through taxation. It is much easier for people to buy into a critique of rich individuals and companies dodging taxes than it is to swallow a general set of positive proposals on tax. Some may see TJN and its supporters as living in European ivory towers, promoting idealistic Hellenic principles of a functional welfare state responsive to its citizens through an exchange of taxes and services. Many activists spend their time (and risk their lives) trying to carve out space for their communities to eke a livelihood free of government interference and oppression. Why should oppressed groups trust that their government will be a benefit, not a burden?

To summarise, some NGOs have been slow to take up the TJN agenda because they see it as complex, abstract and diversionary

"Some NGOs have been slow to take up the TJN agenda because they see it as complex, abstract and diversionary – and some have philosophical doubts about the progressive potential of states. But things are moving in the right direction"

There are individuals in most of the larger NGOs in the UK and several other European countries who would love to work on this issue more. This is likely to supplement, rather than replace, calls for more and better aid.

– and some have philosophical doubts about the progressive potential of states. But things are moving in the right direction, with more and more development campaigners understanding the arguments and making the case within their organisations to take it up. The complexity and abstraction can be taken care of by the policy wonks and public education specialists, and people are realising that these campaigns absolutely do not let rich countries off the hook.

Similar objections were previously raised about other development finance issues – such as trade and debt. About ten years ago a large number of groups "woke up" to the debt crises afflicting many low-income countries: more and more organisations realised that pouring aid money into countries paying out the same amount or more in debt service was not a strategy that could be maintained (and see James Boyce's and Léonce Ndikumana's new research on this on page 5 of this edition of *Tax Justice Focus*). The Jubilee 2000 movement, mass petitions and protests arose from a few determined individuals working to back what groups in Mexico, the Philippines, and many other southern countries had pointed out for ages was a major difficulty they faced.

Now many of Eurodad's member groups who tackle debt want to transition into tackling capital flight. There are individuals in most of the larger NGOs in the UK and several other European countries who would love to work on this issue more. This is likely to supplement, rather than replace, calls for more and better aid – which will remain a constant, partly because it is so close to so many NGOs' core mission and public image.

Richard Murphy recently wrote "I think that we have passed a tipping point; the occasion when the momentum for change becomes unstoppable". Is this accurate, or campaigner hyperbole? Tax justice may well become the next big thing among development NGOs, NGOs working on corporate social responsibility and related topics. But TJN will need to keep sounding the alarm.

Alex Wilks *is the Coordinator for Eurodad (European Network on Debt and Development, www.eurodad.org)*

Eurodad plans to work with interested colleagues to produce a new version of the TJN declaration, kicking off from what NGOs already work on – aid, debt and trade, and filleting the TJN manifesto into a document that will be easier for groups to sign. It will be interesting to see how the above issues can be framed to achieve consensus.

project report

South-South: a new project to help mobilise domestic resources for development

by Jo Marie Griesgraber

A unique new project is now starting up which aims to help governments of developing countries share successful tax practices and build international mechanisms to mobilise their own resources for development.

The project, in which TJN will play an important role, will organise a series of meetings to prepare for the Doha conference on Financing for Development due in November–December of this year (the main theme of this edition of *Tax Justice Focus*). It aims, in short, to help broaden the grassroots push for international tax reform by boosting the involvement of developing-country governments, complementing what TJN and other NGOs are already pushing for.

Entitled "*Sharing Successful South-South Practises and Building Innovative Mechanisms to Mobilise Domestic Resources for Inclusive Development,*" this project aims to address and explore the needs identified in a February 2008 paper (link: here) by the OECD's *Development Assistance Committee – Network on Governance,* which asked questions such as "What can developing countries do?" and "How can donors help?" That paper explores how taxation can foster accountability and strengthen state capacities, echoing closely the arguments explored in the book reviewed by Attiya Waris, (page 14 in this edition of TJF). The OECD paper argues not only that taxation is key to an accountable and effective state, but also that governments which do not need to tax their citizens have little incentive to be accountable, responsive or efficient. In this context, mineral revenues are one obvious "problem" source of alternative financing – but aid can be too. The issues are complex and different for each country – and under-explored – so this new project, by helping to share successful experiences and to build international mechanisms on taxation, aims to propel this debate forwards.

The multi-year programme has other objectives too, some of which are highly ambitous: not only to help interested Southern governments learn more about tax through sharing and disseminating successful practices in tax policy and administration, but also to identify how to improve regional and multilateral initiatives and norms. It is part of the Doha Review process, and it is being organised jointly by New Rules for Global Finance (a networking organisation of researchers and policy makers); the Tax Justice Network; the UN Department of Economic and Social Affairs (Undesa, through its Financing for Development Office); and the UN Development Programme (UNDP, through its Special Unit for South-South Co-operation.)

The first phase will last from February 2008 to April 2009. A first meeting on May 22–24 at New York University will include selected senior tax experts from 10-15 Southern countries, possibly including Brazil, Chile, China, Egypt, Guatemala, India, Indonesia, Kazakhstan, Kenya, Mexico, Nigeria, Qatar, Rwanda, and South Africa. They will discuss their efforts to improve tax practices and to build confidence in tax systems and administrations. A second, larger meeting, probably in August, will involve experts from 20 to 25 countries who will consider possible mechanisms for regional co-operation and propose recommendations for better systemic and global approaches. The tax experts will, it is hoped, subsequently liaise with their foreign ministries who will be instrumental in shaping the Doha outcomes; and the experts' commissioned papers and results from their discussions will also feed into a side event at the Doha Review Conference on FFD in late November. A book will also be produced which NGOs and others can share with their own governments, ministries and parliaments. This project is still in its infancy; web links will become available once all the documents are finalised (see www.taxjustice.net and www.new-rules.org for updates.)

A second phase will then start in 2009, aiming for three things:

- to increase Southern input to international tax reform, on an ongoing basis;
- to improve Southern countries' abilities to mobilise domestic taxes according to norms that reflect Southern as well as Northern inputs;
- to prompt regional and international actions needed to mobilise domestic resources for development.

The Monterrey Consensus emphasises that developing countries must mobilise domestic resources to offset capital flight and lost official tax revenues. There is a dire lack of enforceable international tax measures such as exchange of tax information between countries, and a relative lack of concerted assistance at bilateral, regional and international levels to help Southern governments improve their tax information and collection systems. This project aims to help fill that gap.

Jo Marie Griesgraber, Ph.D. *is Executive Director of New Rules for Global Finance, and a member of the global board of the Tax Justice Network.*

project report

Mapping the Faultlines

by Tom Cardamone, GFI, and Nicholas Shaxson, TJN

The figures are staggering: an estimated $500 billion to $800 billion in illicit money streaming out of poor countries annually. For every dollar in development assistance going into poor nations, up to $10 exits through the secretive international financial system. Many of those jurisdictions offer depositors opportunities to establish shell companies, fake foundations and blind trusts which are used as conduits though which funds are hidden from prying eyes.

Tracking where this money goes is the subject of an ongoing research project by Global Financial Integrity (GFI) in Washington, DC, working together with the Tax Justice Network (TJN).

The goal of the study, which is called "Mapping the Faultlines" is to produce an analysis that will be the most far-reaching and accurate examination of this phenomenon to date. GFI's comprehensive research effort will look at magnitudes: it will provide ranges of the volume of capital flowing into specific jurisdictions. TJN will explore and describe the mechanisms and jurisdictions facilitating these flows.

One of the outcomes of the study, which is being funded by the Ford Foundation, will be a large, publicly available database on tax havens and abusive tax mechanisms, which will be updated and amended over time by the expert team as the infrastructure of global illicit financial flows evolves. It is not envisaged that any results from this major study will be published before 2009 at the earliest. Much of the data will also be fed into another TJN project (with the involvement of Berlin-based Transparency International and funded substantially by Christian Aid) to create a Financial Transparency Index (FTI) ranking jurisdictions according to their usefulness to the perpetrators of illicit financial flows.

Illicit flows are a double-edged sword; they impede economic growth and good governance in poor countries and potentially threaten the national security of rich countries. Illicit capital flows undermine the goals of the World Bank and other lending institutions, strip developing nations of critical resources and contribute to failed states which, in turn, can lead to terrorist activities and regional instability. Due to multiple deleterious effects, the flow of illicit money constitutes the most damaging economic condition hurting the poor. This mapping study will shed further light on this system and will get the problem on the global political economy agenda.

analysis

Lessons from Liechtenstein

by Sven Giegold

The Liechtenstein scandal has generated enormous media attention in Germany. The manner in which the debate has emerged offers clues as to what kind of action might be most effective in Germany to put pressure on the tax havens.

It started when the German secret services paid for a CD identifying hundreds of Germans (and others) who had set up foundations in Liechtenstein to evade taxes. In mid-February, acting on this information, prosecutors raided the home and office of Klaus Zumwinkel, CEO of the former German postal monopoly Deutsche Post. Other raids followed.

Initially, the media debates focused on the moral dimensions of Zumwinkel's behaviour. He was harshly criticised, but the outcry was undoubtedly so loud because people already saw a widening gap between rich and poor in Germany, and they were outraged that the winners of globalisation are not even prepared to pay their taxes. Germans were already well aware of tax evaders – but with Zumwinkel, they now had a face to focus on.

The debate then shifted towards the political consequences. At first there were calls for stronger punishment for tax offenders. Conservatives seeking to avoid a debate on more systemic issues supported these calls. Soon, however, the discourse shifted towards the structures of tax evasion and the question of how to shut down tax havens. This came to the fore after Otmar Hasler, Liechtenstein's Prime Minister, visited Germany on February 20.

Then the defenders of tax havens emerged. They had three main arguments.

First, they said the problem was not tax havens but the German tax system: if tax rates were lower and tax rules simpler, capital would not flow out, they argued. Similar arguments had emerged in the 2005 federal elections, the coalition of Social Democrats and Conservatives then decided to lower tax rates on capital income to 25% but closed

analysis

Lessons from Liechtenstein (cont'd)

A scene from the demonstration in Liechtenstein.

some loopholes for capital gains. Banks have anecdotally reported a subsequent wave of capital flight, although hard data is not yet available. This has been taken as evidence that rich individuals are not prepared even to pay 25% on their capital income: instead, many prefer zero percent abroad, protected by strict bank secrecy.

Second, they tried to deflect attention from criminal tax evasion by highlighting the state's methods in buying illegally obtained data. Many Germans do have ethical doubts about the secret services' actions, but the large majority of the population support them.

Third, they claimed that only a few offenders evade taxes and most of the élite contributes considerably to public finances. Most Germans do not believe this. Trust in the élites is at a historic low, following economic reforms since 2002 which are seen as having benefited the rich and hurt the poor and the middle classes. In a poll in *Die Zeit* newspaper, 72% of Germans said the ruling grand coalition was doing too little for social justice (and, remarkably, 67% said energy, railways and telecommunications should be publicly owned.) The claim that tax evasion is just a case of "a few bad apples" is also thrown into doubt by Germany's Ministry of Finance's estimates that Germans have stashed at least 400 bn Euros in tax havens.

These counter-arguments, however, did not derail the debate. There is ongoing pressure to act against the tax havens and this topic is not going to disappear: the investigations against tax evaders are likely to continue for at least a year or two. Most EU member countries supported Germany's demands for a crackdown on tax havens at a March 4 meeting of Ecofin (the EU's Economic and Financial Affairs Council). Germany raised the subject during the state visits of the prime minister of Liechtenstein on February 20 and of the Prince of Monaco a week later. (Unfortunately, the issue was played down during the visit on February 26 of the prime minister of Ireland, which has been a key player obstructing progress against tax havens in the EU.)

Chancellor Merkel's demands on Liechtenstein have been rather weak, too: while she did ask them to sign several agreements including the EU's anti-fraud treaty, and to adopt the OECD's approach to information sharing, she did not ask for automatic exchange of tax information or minimum tax rates.

Attac has been the most active non-governmental body following the scandal in Germany. We have appeared more than 15 times on television and made numerous statements and press releases; we have written opinion pieces in national media and have given radio interviews. We organised two demonstrations in front of the chancellery and staged a small protest in Liechtenstein.

On February 22 we presented an *Attac Action Plan to Close Down Tax Havens* (link: here) which was presented in a joint press conference with two prominent Attac members of the Social Democratic and of the Conservative party. It received wide media coverage. We got 9,500 signatures in an internet petition. On February 21 I took part in a television debate with our finance minister, Peer Steinbrück; he supported many of our proposals and argued for sanctions against unco-operative tax havens. We will meet him again at the end of April to discuss our plan and to assess progress in closing down the havens.

In conclusion, progressive positions have won the debate on tax havens because of media attention, the tax fraud itself, and the general mood in Germany. We played a role in this, partly by co-ordinating with different groups.

Yet we should not be too confident that change will go very far beyond symbolic politics. To date, the EU's and OECD's (and bilateral) actions against tax havens have failed to deliver effective results. The fight against tax havens involves conflict with powerful vested interests, and a conflict inside the EU with countries that defend tax havens or the tax haven features of their own financial centres. It is now essential to ensure that the debate continues in parliament, in political parties, in churches, trade unions and the media, so that politicians have to act. The battle against tax injustice can be won if arguments about international development are combined with democratic and social justice arguments. In Germany, it is the latter, not the former, that has driven the politics.

Sven Giegold, Attac Deutschland – one of the founder members of the international Tax Justice Network

reviews

Taxation and State-Building in Developing Countries: Capacity and Consent

Deborah Braütigam,
Odd-Helge Fjeldstad
& Mick Moore

Cambridge University Press

It is rare to find a book that combines the issues of tax, the state and development. This book provides a panorama of developing countries from all over the world and looks at how they have tried to improve their tax systems. The three editors are leading scholars in this area, and their expertise shows in this book.

The authors, Deborah Braütigam, Odd-Helge Fjeldstad and Mick Moore, sum up their most important argument like this:

> *The political importance of taxation extends beyond the raising of revenue. We argue in this book that taxation may play the central role in building and sustaining the power of states, and shaping their ties to society. The state-building role of taxation can be seen in two principal areas: the rise of a social contract based on bargaining around tax, and the institution-building stimulus provided by the revenue imperative. Progress in the first area may foster representative democracy. Progress in the second area strengthens state capacity. Both have the capacity to bolster the legitimacy of the state and enhance accountability between the state and its citizens.*

The case studies from Africa, Asia, Eastern Europe as well as South America lend the book not only a geographical diversity in its reach, but also diversity in levels of development. The themes of each case study differ, too, ranging from capacity, consent and tax collection to state–society relations, tax bargaining and the informal sector. Despite these thematic divisions, however, the issues are cross-cutting and, even when placed in the Polish or Chinese context, they resonate for Africa and the rest of the developing world. A clear link can also be seen between post-colonial states and post-communist states, which validates this globalised tax approach and shows the direction of tax reform.

Mick Moore, one of the authors and a previous contributor to TJF, takes something that is already well known – that "there is a great deal of cross-national statistical evidence that natural resource rents are associated with higher levels of authoritarian rule and with lower levels of democracy and the rule of law" – but then builds on this, with potentially uncomfortable implications for those in the aid community:

> *Are we right to be concerned about the impact on the quality of governance of the dependence of so many contemporary governments on rents – from natural resources or development aid – rather than on broad taxation? Were these rents not available, would we find more widely replicated in contemporary poor countries the beneficial consequences of revenue bargaining for the quality of governance that so many people have identified for historical Europe?*

Unsurprisingly, the book's answer is in the affirmative.

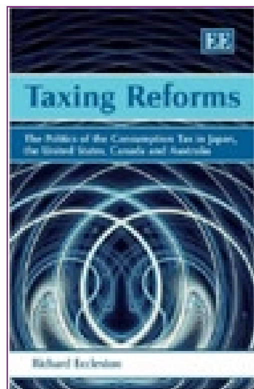
While there has been much academic work on how taxation has historically fostered better political representation and accountability in Europe and America, this analysis has been largely absent from "development" debates. This is a curious but profoundly important omission – and this book helps fill the gap. Many post-colonial states in Africa, Asia and Latin America also rely on alternative sources of finance for development and poverty alleviation – mineral resources, loans, aid and trade – all of which are extensively discussed elsewhere. Tax, however, has been largely ignored, and this book helps rectify this omission too.

No book is without its flaws. There seems to be less reference to corruption and transparency than there might be, and the relevance of international institutions like the World Bank, the IMF and the UN is not sufficiently raised. Yet the IMF continues, for example, to require customs duties to be lower than those recommended by the WTO, due to pressure from developed states. More generally, the power relations between the stronger and the weaker states is not discussed extensively, though the book does recognise the globalised nature of tax reform. What is more, there is too little discussion of how other states' tax regimes affect the collection of taxes in developing nations. The existence of tax havens and capital flight is but one example of the globalised nature of state-building.

A book of this kind has been long overdue. It is essential reading for anyone interested in development, human rights, poverty alleviation and tax – both from the angles of developed and developing nations.

Review by Attiya Waris, who represents TJN4Africa on TJN's global board.

reviews



Taxing Reforms: The Politics of the Consumption Tax in Japan, the United States, Canada, and Australia (Hardcover)

Richard Eccleston

Edward Elgar Publishing

"Tax reform means don't tax you, don't tax me, tax that fellow behind the tree." – the late U.S. Senator Russell Long of Louisiana, on many occasions; former chairman of the U.S. Senate Committee on Finance, and son of populist Huey Long.

Richard Eccleston's new book *Taxing Reforms* explores the politics of consumption taxes in Japan, Canada, Australia, and the United States. This review focuses on his analysis of why the United States has not instituted a national, broad-based consumption tax.

Thanks to the preliminary stages of the current U.S. presidential campaign, consumption taxes have been in the news recently. Former Arkansas governor Mike Huckabee, who sought the Republican Party's nomination as its presidential candidate, advocated a form of national consumption tax called the "Fair" tax. Like other proposals for replacing the income tax with a consumption tax, the "Fair" tax would abolish corporate income taxes and taxes paid by individuals toward receiving Social Security when they retire. Huckabee's advocacy of it consisted mainly of touting the benefits of filing one's taxes on the back of a postcard, rather than by filling out a much more complex multi-page form. In fact, this tax proposal has been around for a decade or more. Whenever its more fundamental details are explored, it seems to wither and die.

In this reviewer's opinion the U.S. will never tear the income tax out by its roots and replace it wholesale with a consumption tax, because the income tax works well enough and is interwoven with the U.S. economy and various interests to a daunting degree. Enactment of a supplemental consumption tax may be less unlikely, were a fiscal crisis of sufficient magnitude to occur.

In Senator Long's phrase lies a subtle argument, combining the idea that elected officials ideally would prefer to place the tax burden on the most invisible, least vocal, parts of the tax base, with the idea that everyone would like taxes to be levied on other people, not on themselves. U.S. politicians like to minimise the visibility of tax increases whenever possible (and under the current executive regime, that minimisation has been taken to a new level). Yet for advocates of a federal consumption tax, "the fellow" – or the constituency that bears the burden from a tax reform – wears too many guises for the idea of a federal consumption tax to achieve critical mass. Three main constituencies stand out. First, many Democrats oppose it, fearing that poor people – who currently pay very little or even negative overall rates of tax -- would see their taxes rise. Second, Conservatives and Republicans oppose a consumption tax because it would help fund the welfare state, to which they are fundamentally opposed. Third, state governors reject federal-level consumption taxes because their administrations rely significantly on their State-level consumption taxes, and they fear a federal consumption tax would play havoc with their ability to meet their own State's fiscal needs.

Eccleston does mention all these factors, but he focuses on the States' opposition as a primary reason why the U.S. has not gone forward with a national consumption tax. In doing so, he overlooks some key evidence suggesting that the States are not as powerful as he thinks.

In the debates of 1985 and 1986, which led to enactment of comprehensive *income* tax reform in the U.S., the States were certainly key players. Reagan's planners wanted to eliminate national deductions for taxes paid at the State and local levels, thus broadening the tax base and allowing for significant reductions in marginal income tax rates. The States resisted this: they wanted to keep the full deductions – because eliminating the deduction would make the State's own tax effectively that much higher.

Although at one point early in the debate it seemed that the States would win, in the end the law that President Reagan signed maintained only the deduction for State and local income and property taxes, not for State consumption taxes.[2]

A number of deductions survived that debate relatively intact – most particularly those for the interest paid on home mortgages, and for charitable contributions. Nowhere does Eccleston mention the mortgage interest deduction, but it is an intrinsic component in home

[2] Many years later a revision was passed, as a matter of equity, allowing residents of States that do not impose an income tax to deduct State sales taxes.

reviews

ownership in the U.S. Any transition away from a mortgage interest deduction would be difficult (to say the least) for the U.S. housing market, and homeowners can be quite vocal "fellows behind the tree." Nothing of the like can even be contemplated in the current circumstances. Similarly, the charitable community is well organized, and eliminating or curbing the charitable deduction would have churches, colleges, hospitals, and other charities banging on your door.

Eccleston appears to misunderstand a number of other details about the U.S. political system, and its history. Nowhere does he mention the U.S. Congress' Joint Committee on Taxation, whose staff have authored many studies of consumption taxes and which is responsible for providing Congress with revenue estimates of proposed tax changes.

Most fundamentally, Eccleston appears to blame the American political system as responsible for the "failure" to enact a national broad-based consumption tax, and perhaps he is correct. Eccleston notes the relative weakness of America's executive, the need for bipartisan agreement, and lack of party discipline as factors in the U.S. "failure." These are fundamental features of the U.S. political system itself; rather, the keys to why the U.S. has stuck with an income tax for all these years lie in lack of sufficient political desire to make such a change, and lack of popular and media support.

There is no doubt that the U.S. would enact a broad-based consumption tax if a compelling enough case were made, in the right circumstances. With strong leadership from the President, along with a fiscal emergency and/or an appalling falloff in voluntary compliance with the income tax, all the stakeholders might be brought to the table and a national consumption tax could be enacted. However even in these circumstances it would be hard to imagine such a tax replacing the existing income tax, as Huckabee's Fair Tax would have done: The U.S. is unlikely to rearrange its fiscal affairs so radically and fundamentally. Another wise man, Yogi Berra, coined a saying that might be applicable here. Don't fix it if it ain't broke. And I tend to agree.

Review by Bill Fant – an observer of the formulations of, and debates over, U.S. tax policy, since 1981

CALENDAR

April 13-15, 2008 – Fort Lauderdale, USA
TJN's Richard Murphy, Jack Blum, to speak against tax havens at offshore conference. For more details, click here.

May 8-11, 2008 – Lusaka, Zambia
Southern Africa Regional Capacity Training Workshop Taxation: Justice and Development. For more details, contact africa(at)taxjustice.net

May 10-12 – Grenoble, France
CCFD (Comité Catholique contre la Faim et pour le Développement) organising a large round table event on the theme "Does the South need the North?" For more details, contact j.merckaert(at)ccfd.asso.fr

May 21, 2008 – Amsterdam, Netherlands.
Tax Justice Netherlands conference (in English) on tax and development; ethics; country-by-country reporting. For pre-registration, please send your name, position, and details about your organisation to: info(at)taxjustice.nl. For more details, click here.

June 18, 2008 – New York t.b.c
Hearings with representatives of civil society and the business sector on financing for development, in preparation for the Doha conference.

August 18-20 – Alpbach, Austria
Reform symposium at the 64th European Alpbach forum: Taxing for Sustainability. Keynote speech by TJN's John Christensen. For preliminary programme, click here.

HIGHLIGHT: November 29-December 2, 2008 – Doha, Qatar.
Follow up International Conference on Financing for Development (FfD) to Review Implementation of the Monterrey Consensus. For more details, click here and for a list of events leading up to Doha click here.