PoggeNotes

Module 2, Panel

1. While tax evasion and avoidance and illicit financial flows are hugely important, we must also look at how rich corporations and individuals participate in formulating and otherwise influencing the tax rules. Even when such agents operate fully within the letter and the spirit of all applicable laws, they may be using these laws to disadvantage and impoverish others unjustly.

2. A lot of lobbying nowadays is focused on international tax rules, the international division of the tax base, and, in any case, has powerful international impacts.

3. This leads into the question of tax justice, both national & international: what does a just system of taxation look like? Here my third point is that this question is ill-formed. Justice is holistic, we need to look at the entire scheme of rules and practices to judge its justice. Only a slice of this whole scheme, the tax system is especially well-suited to correcting excessive inequalities arising from the rest of the scheme - inequalities that perpetuate severe poverty or interfere with democratic decision making or social mobility/equality of opportunity, for example.

4. Current national and international institutional arrangements are vastly too unequal. The rich and politically dominant elites value additional funds going to the rich more highly than additional funds going to the rest. Celebrating GDP, economists value all additional dollars equally, regardless of where they go. In contrast to these two positions, it is easy to show that additional income and wealth going to the poor is vastly more valuable, morally speaking. We should use national & international tax rules (and other mechanisms also) toward achieving a more equal distribution even at the expense of a smaller total (which is independently supported by environmental concerns).