What role for the Greens in Europe to fight tax evasion and tax avoidance?

INTRODUCTION

There is a commonly accepted idea that people don't like to pay taxes. But unless one has never enjoyed direct or indirect protection from fires, safe streets, children with education, health care, environmentally safe food and water or free city parks, one cannot complain to pay taxes. The fight for tax justice has been one of the top priorities of the European Greens for years now. We are committed to promote a democratic European Union, able to respond to the two key challenges of the 21st century: prosperity and well-being for everyone on the planet, both for current and future generations while fitting our development model within the physical limits of our planet. For this we need responsible government expenditures and fair tax resources. Much more than a cost, taxes should be seen as an investment for our collective well-being, a pattern for our commitment to solidarity. Tax is a means to an end, hence it is essential to achieve tax justice for social justice. The Panama Papers, but other scandals before such as Offshoreleaks (2013), Luxleaks (2014) or Swissleaks (2015), have demonstrated that more and more wealthy people and large companies are avoiding paying their fair share of taxes, meaning fewer revenues for financing public services. The EU loses around EUR 50-70 billion every year because of corporate tax avoidance achieved via profit shifting alone. That figure rises to around EUR 160-190 billion if special tax arrangements, inefficiencies in collection and other such elements are factored in. The recent Panama Papers scandal has taken the issue to a complete new scale. The revelations that a law firm named Mossack Fonseca has created several thousands of offshore companies for wealthy people, criminals and companies (either to avoid/evade tax or to hide money from illegal activities) has made the news for days across the world. European citizens claim their angriness through various channels; the petition we launched gathered more than 500,000 signatures in a few days only. How can we make sure that such scandal turns into concrete action and real political change? How can the Greens be the leaders to bring that change? If some taxpayers do not contribute their fair share, then the effect is of an un-level playing field on which smaller, national businesses struggle to compete. Further impacts are then felt by national governments, who - in the face of a declining tax base - are forced to contemplate cutting public services, raising taxes on citizens, or borrowing more money. Member States cannot act individually in the fight against tax evasion and avoidance. Because tax dodging is possible thanks to different national taxation systems, we need coordinated actions at the European Union level. The slightly good news is that many proposals to fight tax dodging and money laundering are in the pipeline. The G20 just adopted in 2015 a 15-point action plan to fight "Base Erosion and Profit Shifting" - in other words, to put an end to big companies using tax loopholes to not pay taxes. The European Union has decided to take a leadership role in implementing this

action plan and even went beyond. It is exploring how to completely change the way we tax large companies in Europe by aggregating profits at the European level so that companies cannot use one country's system against another. The bad news is that taxation remains primarily a competence of the Member States and some - being tax havens themselves - have no interest in changing the rules of the game. Progress on taxation can therefore be slow and at the price of weaker compromises being agreed. What is the role of the Greens in this dynamic? We have long been perceived as pioneers for fairer tax reforms but since 2013 other political (and social) forces have now caught the train and call for tax justice as well. How should we position ourselves to be heard in this debate when everybody is against tax evasion and avoidance (including companies themselves)? How to ensure our messages are still pertinent and the Greens are still seen as a political force that wants to go beyond words only? How do we want to influence national governments in Europe? What tools are best to use? How do the Greens want to work with the growing civil society movement for tax justice, which now goes beyond NGOs and encompasses trade unions, journalists, SMEs, consumer organisations, economists and other academics etc...?

CONFERENCE PROGRAMME

Moderator: Esther van Rijswijk (journalist) - TBC Panellists:

- Valère Moutarlier, Director for Direct taxation, Tax coordination, Economic analysis and Evaluation, DG TAXUD, European Commission
- Philippe Lamberts, Co-President of the Greens / EFA Group in the European Parliament
- Nadja Salson, European Public Service Union
- Bas Eickhout, Member of the Greens / EFA Group in the European Parliament
- Tove Maria Ryding, European Network for Debt and Development (Eurodad)
- Yann Moulier Boutang, French economist

The event will be divided in several rounds of questions with interaction with the public. During each panel, specific interventions will be made from speakers in the public and panellists' reactions will be asked on videos / cartoons / media headlines. Introductory remarks by the moderator about the event and how it will be run for 3h00 (10 min) Introductory speech by MEP **Philippe Lamberts** about the Greens' tax justice priority (10 min) **Round 1: Are we making progress against tax avoidance and tax evasion?** - 40 min Q&A with each speaker (short answers) + responses to other panelists' comments + questions from the public **Round 2: What should be our priorities in the fight against tax dodging?** - 40 min Q&A with each speaker (short answers) + responses to other panelists' comments + questions from the public **Round 3: What are the Greens doing and what else should they do?** - 40 min Q&A with each speaker (short answers) + responses to other panelists' comments + questions from the public Conclusions by MEP **Bas Eickout** (10 min)

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Responsible MEPs



Bas Eickhout
Vice-President



Philippe Lamberts
Co-President

Contact person



Catherine Olier

Team leader - Ecological Transition

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