If the Treasury is serious then don’t ask the usu...

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Last week the World Bank's Managing Director applauded the role of civil society for its pioneering role in tackling tax abuse. She demanded we take the lead on this issue where to date, as she recognised, we have driven the agenda. The UK's HM Revenue & Customs were there and witnessed this. So were the Department for International Development.

Today HMRC is holding a conference on Institutional Taxation Analysis. No one, not a single person, is there from civil society. KPMG are though, as are PWC. But they are the problem we are up against.

The Institute for Fiscal Studies and Oxford University Centre for Business Taxation are also present, but both propose solving the problem of corporation tax by abolishing it and placing the burden of the tax on ordinary people through imposition of Vat at something like 28 to 30%. That is not relevant thinking: that is straight out of the Washington Consensus.

And this comparison with the bankrupt thinking of the Washington Consensus is relevant. The conference brief says:

Standard micro-economic models make simplifying assumptions about human behaviour both for ease of analysis and tractability. Some of these assumptions concern the rationality of individuals and, for example, assume that they have possession of all relevant information and are able to make complex optimisation decisions without taking account of cost consequences. Many economists have recently been relaxing these assumptions in various ways in order to try and capture more of the true processes by which people make decisions.

I agree, but the reality is the people who are doing so are not at this conference. The Oxford University Centre for Business Taxation is about hard core micro-economics. Unless you believe in the Washington Consensus, unless you believe in the absolute primacy of the form of microeconomic analysis that is noted as troublesome by HMRC you cannot work at Oxford. That's true of all UK economics departments with regard to this issue. So there is not a hope of finding new thinking in these places.

As [Oxford recently proved] *in a paper for the Department for International Development, they are the obstacle to progress on this issue. It is civil society that is the basis for progress. Oxford are going out of their way to oppose it. As are the Big 4 who are also doing their utmost to block transparency and accountability — as papers from Deloittes at the World Bank and PricewaterhouseCoopers at the Task Force on Financial Integrity and Economic Development last week proved.*

And yet, as HMRC note:

There is considerable scope for developing this work in the context of tax policy and operations. Possible areas for new and innovative research include: savings and pensions tax policies aimed at providing incentives to behave in certain ways; compliance and personal risk behaviour modelling; and many other areas of contact between tax operations and individuals and businesses. Research could be focussed on identifying the full range of tax policy and operational situations that are likely to be affected by this, so called, 'non-standard behaviour'.

That's true: two papers last week at the World Bank tried innovative approaches. They came from Alex Cobham of Christian Aid and me. Oxford argued against our approach and instead promoted a research programme that included all the flaws noted by HMRC in the first quote, above. Their paper also showed they had no understanding about data availability offshore, or of deferred taxation or of the fact that transfer mispricing can be disguised in corporate accounts by deferred tax accounting — of which the authors clearly know very little. And yet their critique of the work of Alex, me and others is being heard at HMRC today, but we are not.

This is ludicrous. Stephen Timms is right to say *tax is a moral issue. He has, today. Dave Hartnett has done great work promoting that issue. But not a single academic, bar one maybe from the Institute for Development Studies at Sussex, will argue this today. Most outright deny it. In that case to look to the Big 4 and academia to make progress on this issue is absurd.*

It is the Tax Justice Network that has done more to publicise this issue than anyone else. Few deny it.

Oxfam started the ball rolling in 2000.

The TJN / Tax Research Paper of 2005 on The Price of Offshore*, whether right or wrong, lit up the tax haven debate.*

My work on [country-by-country reporting] is highlighted as a way forward by Stephen Timms. It is pioneering, cross disciplinary and innovative. It is about the very issues HMRC says they want to address. It was in Stephen Timm's speech today because of support from Publish What You Pay, Tax Justice Network, Christian Aid, Global Witness, Action Aid, CAFOD, Oxfam, and many, many more. But it is not on the agenda for debate today at HM Revenue & Customs.

The TUC backed â€šÃ„Ã²The Missing Billions’ and pushed this item forward in the UK.

So to, of course, did the Guardian in their series on the Tax Gap.

It is civil society that has informed tonight's programme on the BBC.

Christian Aid has shown real conviction and moral leadership with its reports.

No academic, bar Prof Simon Pak in the USA, who has been vilified for his efforts, has sought to address this issue constructively or quantifiably.

Not one academic, bar Prof Prem Sikka, has argued this is a moral issue.

The Big 4 block innovation at every move — including country-by-country reporting.

So why is HMRC talking to the cause of the problem when looking for a solution? This makes no sense at all.

The entire intellectual move in the direction in which the UK Treasury is now moving has come from Dave Hartnett and civil society. No one else. Apart from those I've named not a person from a Big 4 firm or a person in academia has stood up for transparency, honesty or accountability. None has promoted reform. None has suggested alternative economic modelling. None has changed to change the terms of the debate or the language used — as we have when defining such terms as â€šÃ„Ã²secrecy jurisdictions'.

And our reward? To not be invited to this conference which we must have inspired when our critics — most especially at Oxford - are present.

And our second reward — to see our work reviewed in our absence. I find it extraordinary that whilst country-by-country reporting is, for example, on the agenda for the UK and the OECD and yet not once have I ever been asked about it by a single official in HM Treasury or at the OECD and yet I created the whole concept.

If there is to be morality in tax, as Stephen Timms has called for; if there is to be innovative thinking on tax, as this conference calls for; if there is to be real progress on tax, as is so obviously needed, no one will find it by asking the â€šÃ„Ã²usual suspects' at the Institute for Fiscal Studies, Oxford University Centre for Business Taxation or the

Big 4. They are the problem, not the solution.

It is time to talk to those of us who have put this issue on the agenda. Can we please do that? Can we please have the necessary meetings? Can we even have a tiny fraction of the resources others are given to pursue this work on which we, and we alone, have made the impact which has created the difference?

This would be the first test of whether the Treasury is serious in its new found and wholly appropriate attachment to morality in taxation.

The second source of evidential support for that conviction would be a copy of the Treasury's email asking the OECD to consult with civil society on country-by-country reporting whilst the third would be serious discussion of funding for those who have lead this debate and have done so on a shoe-string. When that happens change will really flow.

And we need it.