

Of course we need tax havens

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There has been an interesting outbreak of pragmatism that endorses tax haven behaviour on the blog and in the press this weekend, all of it the result of George Osborne's Swiss tax deal.

So let me be clear, of course we need tax havens. Without them we couldn't:

- undertake mass tax evasion
- hide multinational company profits from tax
- launder drug money
- launch attacks on the tax systems of democracies
- ensure counterfeiters have a secure base from which to trade
- facilitate insider dealing
- help kleptocrats loot their countries
- hide the trail of people traffickers
- provide asymmetric information to markets that increase risk and threaten global financial collapse
- shift wealth from the poor to the rich.

So of course we need them. It's so obvious they add to the stock of human wellbeing.

That's why the UK gave them a big vote of confidence last week. And it is no doubt why so many friends of tax havens are celebrating the fact.