The economic crisis has one cause - the tax gap

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I've talked about economiuc crisis for a long time.

I've got a book coming out about what I think we need to do about it next week (I'm assured the printing is underway, now).

And let's now have no doubt about it: the crisis is for real.

Italy can no longer pretend it is not bust: it is.

I stress, it's not bust because of overspending. It's not been profligate. It could pay for the services it has consumed, and did. It just chose not to do so through taxes. By that I mean it's bust because of the size of its shadow economy. That's 27% of its GDP. Its effective tax rate is 43.1%. It loses, annually, as a result about â‚¬175 billion in tax.

Its debt is about â‚¬1.9 trillion.

That's a bit over a decade of tax evasion.

That's why Italy is in crisis.

That is why the EU is in crisis.

That is why the world is in crisis.

The tax gap is the problem.

Collecting tax will be the solution.

Of course there are massive other issues to be addressed.

But that's the cause of this crisis. And that's in the long run its solution.

And that's a recognition that is absent right now.