Funding the Future

Article URL

Published: January 12, 2026, 5:59 pm

I was amused by the FT's juxtaposition of a report on some growth in the Irish economy, about which the Irish Development Authority had obviously delivered some puff to the press, with the true underlying cause, which the FT sees as tax abuse.

As the FT puts it:

Many foreign multinationals operating in Ireland supply goods and services throughout the European region and book their profits and pay tax on these in Dublin. Other companies, including Google, use legal tax avoidance strategies known as the “Double Irish” and “Dutch Sandwich” to book revenues in Ireland but shift these through the Netherlands and Bermuda to reduce their tax bill.

Records filed with Ireland’s Companies Office show Google Ireland generated turnover worth â‚¬12.5bn in 2011, gross profit of â‚¬9bn, pre-tax profit of â‚¬24.4m and paid â‚¬22.2m in tax.

The Irish are in denial about this:

“The performance of our export oriented sectors are absolutely crucial to our recovery strategy,” said Richard Bruton, Ireland’s minister for enterprise.

Yes, of course they are. But he was forced to move on, presumably by press questioning:

He defended Ireland’s 12.5 per cent corporate tax rate and said the country did not employ harmful tax practices.

“Lots of people have criticised it because they don’t like what we do but it has always been clear that it does not breach any rules in terms of harmful tax competition. It is fair transparent and uniform across all companies,” he said.

Mr Bruton said Ireland’s corporate tax rate was of “absolutely crucial national interest” and a “red line” issue for the government.

Ah, the age old defence: it's legal so it's OK. Even David Cameron's now seen through that one. The time for unitary taxation, which would shatter this abuse by Ireland, is coming closer. There's a full explanation of unitary taxation by Prof Sol Picciotto for the Tax Justice Network here.