

## Plan B as a tax haven is not a viable option for the UK

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I spoke at an event jointly organised by [Class think tank](#) and Verso Books ([there to promote my new book](#)) last night at the Institute of Contemporary Arts in London. It was good to share a platform with Faiza Shaheen, Ann Pettifor and Gracie Mae Bradley.

The event was on the economy and Brexit and covered a lot of ground but I began talking about the UK as a tax haven which we are led to believe is Philip Hammond's Plan B. I explained why this was a terrible idea roughly following these notes:

- \* Tax haven UK
- \* The threat
- \* To turn the UK into a low tax nation
  
- \* The problem
- \* The world hates tax havens
  
- \* There are now measures in place to beat corporate tax abuse like country-by-country reporting
  
- \* The EU is proposing a tax haven tax list
  
- \* We are members of the OECD
  
- \* Retaliatory measures are possible
  
  
- \* Will it work?
- \* No: there is no evidence low tax rates boost investment, productivity, employment or growth
  
- \* In fact they tend to discourage investment because the tax incentive to spend is reduced
  
- \* They do encourage the artificial relocation of mobile tax bases
- \* But usually only if secrecy is available and it is not in the UK

- \* And because mobile tax bases are only owned by the wealthy inequality increases
- \* Which we now know reduces growth
  
- \* And the Laffer effect?
- \* That kicks in at tax rates well over 50% and we don't have those
- \* So this is a tax giveaway
  
- \* So why do it?
- \* Spite
- \* To harm our neighbours
  
- \* To favour the wealthy
- \* To punish the economy
- \* To make the UK worse off
- \* To undermine other governments
- \* The very worst of motives
- \* And results
  
- \* But there are alternatives
- \* [Read this blog](#)