

We don't need to give money to the BVI: loans would do ...

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Boris Johnson is apparently struggling to find ways to give development aid to the UK Overseas Territories that are too wealthy to benefit from the aid budget. As ever, Johnson is wholly misguided in his efforts.

Of course these islands have suffered badly, and of course they need aid but their high GDP per capita is not an accident, even if not everyone who lives there will see all the benefits of it. Rather, that high GDP per capita is an indication of their tax haven activity and, in turn, their ability to fund their own recovery.

What the islands need is liquidity and resources now. So let's provide both. But let's not worry about digging into the aid budget. Just as £1bn could mysteriously be found for Northern Ireland when needed so too can the money for these islands be found now. But better still, we don't even need to find a budget to take the money from. Just lend it instead. Nothing could be easier to do: after all government can create money at will for that purpose just as banks can.

Charge interest on this loan by all means, but make it modest.

Be fair and require repayment over the life of the assets.

And build in incentives to give up tax haven activity into the loan conditions. So waive part of the capital for accounts published on line, and more for trusts doing the same. Then add another waiver for public beneficial ownership data and maybe a bit more for having a corporation tax. Give the islands a choice. But make opacity cost.

That way help is given now and tough decisions can be deferred. But international tax abuse gets a local price. And those in these places can either pay it or elect politicians who reform their practices. Now what could be fairer than that?