

Is tax theft?

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This is the second in a series of reactions to my recent engagement in a dispute on the nature of modern monetary theory (MMT). The first [was here](#).

When I first became involved in tax justice issues, two decades ago, one of the things that I had not expected was the level of absolute political hatred of tax that I witnessed from those who promoted tax avoidance, tax havens, and the role of the tax profession in both.

The sentiment that was often expressed, including quite openly at conferences by well-known lawyers of the period, was that all taxation was theft. Their consequent suggestion was that they were quite entitled to undertake transactions in any form that they could to prevent that theft from taking place.

Unsurprisingly, I found that opinion abhorrent. Implicit within it was the idea that the state was malign. It is necessarily implied that the law was imposed. It presumed that government was always in opposition to private interests.

I did not, and still do not, agree with any of that thinking, which I always associated with those who I considered to be on the far right of the political spectrum.

I believe in democracy.

I think that it is possible to have representative government.

I suggest that democratically representative government is not only benign but positively beneficial to the well-being of people.

I think the government can and does enhance freedoms rather than restrict them.

I believe it appropriate that we provide powers to government to sanction those who

act against the common interest.

I suggest that evidence supports his thinking: a majority of people participate in general elections in the UK and most countries where there is freedom to do so. I do not think that is because people are brainwashed into doing so. I think it is because they believe that this system is the best chance they have of securing good government, which they want.

I also suggest that most people voluntarily, and even willingly, pay the taxes that they owe. That is not because they cannot think of another use for the funds in question. Instead, it is because they understood the benefit from making that payment, which, for the vast majority will exceed the cost of doing so precisely because communal action to supply universal basic services is always more efficient than differentiated private provision.

In that case, not only did I reject the idea that taxation is theft, but I also promoted the idea that it is voluntarily accepted through the democratic process for the benefits that it supplies.

Amongst the ideas that became associated with tax justice as a consequence was the suggestion that tax havens, and those firms and individuals who work from them to promote tax abuse, work to undermine democracy. This was because at the core of the work of such places and people is the belief that it is their job to undermine the purpose of democratically elected governments. I still think that is the case.

Saying all this, please do not think me naive. I am, of course, aware that the government can be corrupted. Totalitarian regimes do that. So has neoliberalism, with its deliberate intent to deny people choice whilst at the same time forcing them to buy services that the state should supply. I am, of course, aware of this. That awareness is one of the reasons why I have written this blog for so long. I oppose that corruption of the democratic process, which also happens to come from the right-wing.

But, and let me be explicit about this, opposing that corruption would be pointless if I did not think that a better option was available. I do think that better possibility exists.

I believe that democracy can work.

I believe that a fair and just tax system is possible.

I believe that a democratically representative government that can deliver a fair and just tax system will build a foundation for a better society.

That is what motivates me.

That is why I am also intolerant of the intolerance that argues otherwise.

But I am curious as to what you think. Three polls:

[poll id="49"]

And then:

[poll id="50"]

And finally:

[poll id="51"]