TOWARDS A NEW ARCHITECTURE FOR PROGRESSIVE INTERNATIONAL CAPITAL TAXATION / HACIA UNA NUEVA ARQUITECTURA PARA UNA IMPOSICIÓN AL CAPITAL PROGRESIVA

Valpy FitzGerald
Emeritus Professor of International Development Finance, University of Oxford

Fecha recepción: 08.10.2023
Fecha aceptación: 27.03.2024

"Then again, in their relations with the state, if there are direct taxes or contributions to be paid, the just man contributes more from an equal estate and the unjust man less" (Plato The Republic, book I, 343-D)

Abstract

The application and operation of the Global Anti-Base Erosion (GloBE) Rules agreed at the OECD and released in December 2021 have both strengths and weaknesses for developing countries. Now is the time to address directly the multilateral institutional “architecture” in relation to international tax negotiations. Despite the current geopolitical tensions, the nature of climate change and increased possibility of future health pandemics have made the need for global public goods provision – and thus global tax coordination – even more necessary. Moreover, the GloBe rules reflect the underrepresentation of non-OECD members in the process of the “Inclusive Framework,” as evidenced by their absence in key committee leadership, paucity of specialised delegates and lack of explicit voting rights. Therefore, it is correct to welcome the recent UN resolution to work towards a worldwide Tax Convention.

Resumen

La aplicación y funcionamiento de las Reglas Globales contra la Erosión de Bases (GloBE) acordadas en la OCDE y publicadas en diciembre de 2021 tienen fortalezas y debilidades para los países en desarrollo. Ahora es el momento de abordar directamente la “arquitectura” institucional multilateral en relación con las negociaciones fiscales internacionales. A pesar de las tensiones geopolíticas actuales, la naturaleza del cambio climático y la mayor posibilidad de futuras pandemias sanitarias han hecho que la necesidad de provisión de bienes públicos globales –y, por tanto, de coordinación fiscal global– sea aún más necesaria. Además, las reglas de GloBe reflejan la subrepresentación de los países no miembros de la OCDE en el proceso del “Marco Inclusivo”, como lo demuestra su ausencia en el liderazgo de comités clave, la escasez de delegados especializados y la falta de derechos de voto explícitos. Por lo tanto, es correcto acoger con agrado la reciente resolución de la ONU de trabajar hacia un Convenio Impositivo mundial.

1 This article is closely based on work by the author for the Independent Commission on the Reform of International Corporate Taxation, chaired by Professor Joseph Stiglitz and of which the author is a commissioner. See https://www.icrict.com. The author thanks fellow Commissioners for their valuable comments on earlier drafts.

PROGRESS AND PROBLEMS IN INTERNATIONAL CORPORATE TAX REFORM

The "landmark agreement" reached in October 2021 on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy (OECD, 2021) has been joined by 137 countries and jurisdictions. This results from negotiations, mandated by the G20 and organized by the OECD, and is the first substantive multilateral agreement on global corporate taxation since the League of Nations agreements on double taxation almost a century ago. However, this "Solution" has severe limitations in terms of both scale and scope. The scale is limited to a small share of total MNE profits in Pillar 1 and to a low minimum corporate tax rate in Pillar 2. The scope is limited by basing apportionment of taxing rights to sales location in Pillar 1 and the "carveouts" for tax incentives for investment strongly limit the effectiveness of Pillar II in limiting tax competition. Moreover, developing country will receive a very small part of the expected fiscal gains. The outcomes reflect the lack of inclusiveness in the process, in which the interests of developing countries have effectively been marginalised.

Pillar 1 is intended to reduce the revenue loss to tax authorities from "base shifting", the transfer of accounting income (and assets) by multinational corporations to low-tax jurisdictions ("tax havens"). The IMF estimates of the revenue outcome in terms of proportions of tax revenue (Table 1 below) indicate both the shift away from tax havens and the broadly equitable outcome for developed and developing countries. However, by the same token, the limited scale of the shift – one percent of overall fiscal revenue (and thus around a third of one percent of global GDP) - falls far short of what is required to contribute to poverty reduction or environmental protection.

Table 1: Redistributive Impact of Pillar 1

| Source: IMF (2023) |

Pillar 2 is intended to halt the global downward trend in corporate tax rates by placing a "floor" on the global downward trend in corporate tax rates (see Table 2 below) which has been led by advanced economies, followed by emerging markets (and with a decade lag) low-income countries. The agreed
minimum rate of 15 percent, however, does little more than consolidate the status quo ante in an attempt to remain competitive for foreign investment.

**Table 2: The Global Race to the Bottom in Corporate Tax Rates**

![Graph showing the global race to the bottom in corporate tax rates](image)

Source: IMF (2023)

The Independent Commission on International Corporate Taxation (ICRICT) made substantive suggestions during the negotiating process in support of developing country interests, and an extensive technical critique of the resulting Two Pillar Solution. The Commission's main recommendations are as follows: basing apportionment of taxing rights on employment as well as sales; a minimum tax rate of 25% (the global mean only a decade ago); inclusion of all profits in the apportionable tax base; coverage of all large multinational firms in all sectors; and full transparency on country-by-country corporate reporting. The Commission also drew attention to the limitations placed by the OECD on effective participation of developing countries in the supposedly "inclusive framework," in terms of committee membership, agenda setting, and inclusion of proposals (www.icricht.org).

The evident impasse between the OECD proposals (in other words those of the developed countries) and the interest of developing countries – and thus the majority of the population of the world – means that now is the time to address directly the multilateral institutional "architecture" in relation to international tax negotiations. Despite current geopolitical tensions, the nature of climate change and increased possibility of future health pandemics have made the need for global public goods provision – and thus global tax coordination – even more necessary.

**CORPORATE INVESTMENT INCENTIVES UNDER A GLOBAL MINIMUM TAX REGIME**

**The Issues.**

The application and operation of the Global Anti-Base Erosion (GloBE) Rules agreed at the OECD and released in December 2021 have both strengths and weaknesses (especially with regards to Pillar I) for developing countries. The key issue at present is the minimum corporation income tax (CIT) tax provision of 15 percent in Pillar 2. The effective enforcement mechanism is the provision that if a particular host
Towards a new architecture for progressive international capital taxation. / Hacia una nueva arquitectura para una imposición al capital progresiva.

Valpy FitzGerald

A country sets a lower tax rate for inward investment than the minimum then the home jurisdiction can charge the difference. In other words, setting a rate below the minimum as part of an industrial strategy would not only be ineffective but also cause a loss of fiscal revenue.

This is a major issue for developing countries because tax incentives have spread widely in recent decades, despite the evidence that they are not effective in stimulating real fixed investment or economic growth (Klemm and van Parys 2012, Stausholm 2017, Zee et al 2002). Of course, low corporate tax rates are a feature of certain jurisdictions which have been successful in attracting financial flows to tax havens (now euphemistically termed "investment hubs"), but this is merely a zero-sum gain which undermines the global tax base without adding to global economic growth or welfare (OECD 1998, Crivelli et al 2015). In consequence, it is not surprising that in practice an increasing number of countries, possibly a majority in economic terms, now apply a minimum CIT as an effective tax rate (ETR) to prevent base shifting.

The G20 (chaired by Indonesia) has charged the OECD to examine the implications of Pillar 2 for investment incentives, leading to the following considerations: tax incentives can still provide benefits for firms that are not in-scope of the GloBE Rules, such as domestic firms or subsidiaries of MNE groups with revenues below EUR 750 million; firms with a greater amount of substance in a jurisdiction will be less affected as they will benefit from the substance-based income exclusion (SBIE); incentives that allow the faster recovery of the cost of tangible assets will be unaffected by the GloBE Rules, while incentives that target payroll or tangible assets may be less affected than income-based tax incentives.;

However, "while these instruments may allow jurisdictions to continue to offer incentives to MNEs, jurisdictions should exercise caution due to their potentially significant fiscal impact" (OECD, 2022). In sum, an independent expert view is that "the impact is expected to be low to moderate for some common incentives, such as participation exemption regimes and accelerated depreciations, it might be significant for direct cuts from the tax bill, which include tax holidays, intellectual property box regimes and special economic zones" (Liotti et al, 2022).

A critical yet constructive view

The OECD agreement on the minimum CIT rate which imposes a floor on the "race to the bottom" represents a substantial constraint on the harmful tax competition by certain jurisdictions which represent a real fiscal burden to developing countries. None the less, the average CIT rate in practice is now of the order of 22% (IMF, 2022), the GloBE rate is too low and will encourage (if not oblige) developing countries to reduce their existing CIT rates. An agreement on a rate between 20 and 25% would have been of more benefit to developing countries.

Because all CIT regimes exempt investment costs from taxation (at least by depreciation allowances and often by full cash expenditure) the tax rate is not a burden on investment. Indeed, tax provisions exempting or providing low taxation for MNE's can properly be seen as a substantial fiscal subsidy to firms. If not extended to domestic firms, they bias investment against local entrepreneurs and may even impede long term growth. The loss of revenue too almost inevitably undermines the ability of governments to make critical public investments, thereby also weakening growth.

Corporate profits taxation only falls on economic rents (profits less cost of capital). This fact has three implications: first, that the incidence of tax preferences are redistributive, as equity capital wealth (the beneficiaries of these tax preferences) is even more concentrated than incomes;; second, that shareholders of multinational corporations are generally tax resident outside developing countries, and third CIT compensates to some extent for the overall gender bias of tax systems as men hold more wealth than women.
The major concern for domestic and foreign investors in developing countries is uncertainty about future income. Tax holidays do not reduce investor risk, and may even increase it by undermining public revenues, as well as being in themselves unpredictable from one government to the next.

Developing countries (both EMEs and LICs) have the sovereign right and the social duty to engage in industrial policies designed to expand employment and raise living standards. Tax concessions to MNEs are, however, not a good way to conduct industrial policies; indeed, they are likely to be counterproductive. Promoting growth requires investment in human and physical capital, and in infrastructure and environment. This investment is both public and private: the former requires strong fiscal revenues and good governance, and the latter requires stable growth expectations and regulatory stability. There is also a need to support small and medium enterprises, while tax concessions tend to favour large foreign and domestic firms.

However, in most if not all developing countries there is a lack of coordination in fiscal governance, which hinders a coherent approach to investment policy. Typically, negotiations with foreign investors and large domestic firms over corporate tax concessions are conducted de facto by ministries of foreign trade, or even by the presidency itself, rather than by the revenue authority within the ministry of finance. This leads to inconsistency in treatment of firms and sectors on the one hand, and a lack of full budgetary accounting of the tax foregone on the other.

This problem of tax governance at the national level in developing countries is compounded by the lack of coordination both between national and sub-national governments. Tax competition is clearly a "zero sum game." An investor may be relatively indifferent to exact location and can play one country or sub-national authority off against its neighbours, with the only real winner being the MNE.

Finally, the GloBE rules reflect the underrepresentation of non-OECD members in the process of the "Inclusive Framework," as evidenced by their absence in key committee leadership, paucity of specialised delegates and lack of explicit voting rights. Therefore, recent resolution to work towards a UN Tax Convention is very welcome.

**A Way Forward on Corporate Incentives.**

*CIT rates:* developing countries should maintain their current nominal CIT rates, and endeavour to ensure that these are also effective tax rates (ETR) by reducing deductions and exemptions. The GloBE minimum rate should be raised to 25%.

*Incentive restructuring:* independently of GloBE, developing countries should shift the design of investment incentives away from CIT “holidays” towards other fiscal interventions such as R&D support and dedicated infrastructure.

*Risk reduction:* non-market risks to investors should be reduced as far as possible by strengthening legal and regulatory structures, by ensuring macroeconomic stability (and thus buoyant tax revenues), by sound debt management, and by co-financing from public sector banks and international agencies.

*Tax governance:* decisions on tax policy and firm-level arrangements should be taken by the revenue authority within the ministry of finance, and any tax concessions or subsidies should be fully costed and included in the national budget for legislative approval and social transparency. Governments should discourage tax competition within the country by sub-national jurisdictions.

*Regional coordination:* regional economic institutions (such as the UN Economic Commissions and the regional development banks) should be tasked with coordinating information exchange and policy discussion between tax authorities.

*UN role:* strengthen the role of the UN in defining, monitoring, and evaluating the effects of tax incentives worldwide, developing on the work done by UNCTAD and the UNDP.
TOWARDS A FAIRER TAXATION OF MULTINATIONALS AND OFFSHORE WEALTH

Multinationals should be treated as unitary businesses and their global profits allocated between countries using a formula, thus abandoning the century old system of transfer pricing which allows multinationals to avoid taxation. This new system should be underpinned by the global effective minimum tax of 25% (the current international average rate) which could raise more than $500bn a year for welfare and infrastructure provision.

The current corporation-tax regimes – which allow firms to deduct virtually all costs, including labour and capital – are close to a pure profits tax: a pure profits tax does not distort economic decisions and thus does not lead to higher prices, less investment or lower wages and employment. Thus, corporation taxes can be raised without fear of adverse effects on growth or welfare. The major distortions and gross inequities in the current international tax system come from inadequate enforcement and large loopholes.

Offshore wealth ownership should be made more transparent through the creation of national asset registries and ultimately a global asset registry, which would record and publish data on the beneficial (“true”) ownership of all major property whether physical, financial, or immaterial. This would not only facilitate effective taxation of income and assets worldwide, but also promote public policy debate on economic inequality and thus ultimately social power.

The agreement struck at the OECD/G20 Inclusive Framework in 2021 did move beyond “the arm’s length principle” for tackling transfer pricing and established allocation of the global profits of MNEs between countries on an agreed formula. The acceptance that the global profits of MNEs be subject to formulary apportionment (“Pillar One”) shows real progress, as does the effort to stem the “race to the bottom” in tax competition by providing a floor in the form of a global minimum effective tax (“Pillar Two”).

However, the agreement fell short of the unitary enterprise principle advocated by ICRICT, the G-24 grouping of emerging and developing economies, and civil society:

a. Pillar One is at best a stop-gap solution which will generate a limited increase in revenue. It creates a special tax regime for only around 140 of the largest and most profitable MNEs and allocates only a small share of their profits.

b. The stated objective of Pillar Two is to put a floor to tax competition, but there is a risk that the 15% global effective minimum tax will become the global standard and thus kickstart a race to the minimum. Revenue gains are likely to be concentrated in advanced economies, as multinationals headquartered in these countries generate 20 times more profit than those located in emerging market economies.

All emerging and developing countries must carefully assess the benefits of this new system in terms of the limited immediate benefits, the costs of abandoning pressure for alternative arrangements, and their place in the emerging institutional structure of international taxation. Meanwhile they should:

a. Not agree to any new allocation of global tax rights without full “due diligence” assessment of the implications for tax revenues and future policies.

b. Absent an equitable global agreement, pursue fair and efficient revenue enhancement - including digital service taxes, withholding taxes and alternative minimum taxes.

Whether the OECD is the appropriate body to continue to lead this work remains in question. Despite the creation of the “Inclusive Framework,” much still needs to be done to ensure effective participation and representation of developing countries which should reflect both their role in the world economy and their recognized needs for fiscal resources to achieve the Sustainable Development Goals.
Towards a new architecture for progressive international capital taxation. / Hacia una nueva arquitectura para una imposición al capital progresiva.

Valpy FitzGerald

The unanimous adoption at the Second Committee of the UN General Assembly of the resolution submitted by Nigeria on behalf of the African Group, for the “Promotion of inclusive and effective international tax cooperation at the United Nations,” can thus pave the way for further intergovernmental negotiations to improve on the limited outcome of the OECD/G20 Inclusive Framework.

Last, but far from least, addressing unfair corporate advantage in the current global turmoil will require:

a. The recent turmoil in the international economy and polity has led to supply shortages and demand imbalances. Large international firms – particularly in fuels but also in strategic sectors such as food, pharmaceuticals, and finance – have gained significantly greater than normal profits.

b. ICRICT calls all governments to quickly implement a set of tax measures to protect against the impact of these economic storms and build a fairer future tax environment:
   i. As an emergency response, tax the windfall profits of companies that are enjoying record and abnormal profits, including but not limited to the energy sector.
   ii. Impose a surtax on all firms raising prices substantially more than costs – particularly where this behaviour is facilitated by monopoly control of markets.
   iii. Tax oligopolistic companies on their excess rates of return, by targeting economic rents – the excess of returns over the minimum investors require – wherever they arise.

c. Because it is large companies that are best placed to take advantage of economic instability, while smaller firms (which provide most employment) undergo greater stress and bankruptcy, progressive profit taxes should be introduced so to support both social provision and employment creation as well as reduce inequality.

DISTRIBUTIONAL EQUITY IN INTERNATIONAL CORPORATE TAX DESIGN AND GOVERNANCE

A “progressive” tax structure refers to tax incidence, where those with higher incomes effectively contribute a larger proportion of their income. Corporate (i.e., profit) taxes are progressive because they operate as a withholding tax on dividends, and many rich individuals who eventually receive dividend income can avoid or evade taxes; they also benefit from the delay in paying taxes, the value of which can be substantial. Since wealth ownership is even more unequal than income, this is a progressive outcome. Corporate taxation clearly plays this role at the national level. This also holds internationally, since a considerable proportion of corporate profits made in developing countries accrue to international firms and thus to shareholders in rich countries. In sum, higher effective corporate tax revenues from MNEs contribute to the reduction of national and international vertical inequality – that is, Sustainable Development Goal 10.

A progressive international tax system should also aim to reduce horizontal inequalities between the incomes of groups defined in dimensions other than income. A key dimension is that of income inequalities between countries. A higher effective minimum global corporate tax rate arising from international cooperation and a more just allocation of taxing rights between jurisdictions should reduce tax avoidance and illicit financial flows which are often greater in developing countries, and thereby increase overall horizontal progressivity.

Another important dimension of this is gender. Corporate income tax can reduce gender inequality in taxation because of the point made earlier about it operating as a form of withholding tax on dividend income, since shareholding (and thus dividend income) is highly skewed towards men in both developed and developing countries.
In relation to international tax architecture, equity and inequality considerations also apply to the organisation of negotiations and the resulting regulatory system. MNEs account for half of global exports, almost one-third of world GDP and about one-fourth of business employment. Yet the governments that represent most the world’s population that live in developing countries, where much of the production and extraction of essential inputs is occurring, play a subsidiary role in the existing architecture. This inequality must be addressed to strengthen the legitimacy of global fiscal governance and to ensure effective international cooperation (SDG 17).

Implications of equity criteria for global tax design.

The implications of the distributional criteria discussed above for Pillar 1 are double. First, the OECD proposal to limit the apportionment of taxing rights to only what are described as "excess" profits makes not economic sense, but is also problematic from a distributional perspective. To enhance the redistributive effect of any given apportionment formula, the entire accounting profits should be considered. Second, instead of only sales determining the distribution criteria in the apportionment formula, other criteria should be considered, to reflect where production occurs and value is created. This would reflect that fact that MNE profits arise from the globalisation process itself and cannot sensibly be ascribed to any one country.

The implications for Pillar 2 are also double. First, a higher minimum tax rate (25% rather than the 15% proposed) is essential to prevent a "race to the bottom" which would reduce both the redistributive effects discussed above and the revenue benefits to developing countries. Second, that "carveouts" for tax incentives for investment (by both foreign and domestic firms) strongly limit the effectiveness of Pillar II in limiting tax competition. They may even lead to a more distorted form of competition—focused on the areas of the carveouts.

Further, it has become clear that for the effective taxation of profits it is necessary not only to extend the new regime to all MNEs, but also to extend international tax cooperation to the taxation of all substantial private assets (or the income arising from them) held outside the tax jurisdiction where the owner resides. This extension would address the issue of tax evasion in contrast to the tax avoidance practiced by MNEs. The effective registration of the beneficial ownership of assets in all participating jurisdictions and the full exchange of this information between them would constitute the equivalent of the country-by-country reporting of corporate MNE accounts under Pillar 1 and help pave the way for the creation of a global asset registry (ICRICT, 2022). A rule that income from or asset transactions in non-participating jurisdictions would be taxed at the full rate in the jurisdiction of residence would play a similar role to the minimum corporate tax rate under Pillar 2.

Regional Tax Cooperation.

Logically, the foundations of international tax cooperation can most usefully be laid at the regional level. There are at least two reasons for this. First, competition for foreign investment and capital mobility tend to be strongest at the regional level, and thus there are greater gains from common action. Second, for historic reasons there tend to be greater similarities between domestic tax systems and administrative structures at the regional level, which can make intergovernmental cooperation easier and more effective.

The regional institutional infrastructure for intergovernmental cooperation in fiscal matters does exist in some regions, but in the case of developing countries is comparatively weak in comparison with (say) the European Union. There is a compelling case for strengthening tax cooperation. This is only partly a technical question of sharing personnel and information resources—it also involves some necessary cooperation in strategies of finance ministries and tax policies that are ultimately political decisions about governance. Such an initiative would also benefit from coordination with and support by other regional arrangements such as trade organisations, development banks, judicial bodies, and law enforcement agencies.
Towards a new architecture for progressive international capital taxation. / Hacia una nueva arquitectura para una imposición al capital progresiva.

Valpy FitzGerald

Last, but far from least, a joint regional stance on tax rules and administration would strengthen the position of developing countries in international tax negotiations. This is not only a question of a joint voting bloc, but also increased technical capacity to analyse existing proposals and formulate new initiatives.

A Global Forum for Tax Negotiation, Monitoring and Dispute Settlement.

None of the existing fora for multilateral tax negotiations (the UN Committee of Experts on International Cooperation in Tax Matters, and the OECD/G20 Inclusive Framework on BEPS) combine fair representation and decision capacity in an effective manner. On the one hand, the UN does ensure equitable national representation ("one country one vote") even though this does not reflect population size or economic (let alone geopolitical) weight; and often lacks the capacity to achieve substantive agreements. On the other hand, the OECD/G20 has the technical capacity and political standing to reach substantive agreements but lacks the true inclusivity – particularly of small and/or poor countries – in decision making required to be fully legitimate. The voice of even large developing countries and emerging markets frequently does not have the weight it should, corresponding to the economic role they play in the global economy and their populations.

The way forward in the immediate future should thus aim to combine the inclusivity and legitimacy of the UN with the executive capacity of the G20/OECD. This makes the process towards a UN Convention on International Taxation particularly important. It could set agreed principles for cooperation between tax jurisdictions, information exchange and transparency, dispute resolution, etc.). This would require a technical negotiating forum, building on the work done by the G20 and the OECD, with substantive representation of non-OECD members with both "voice and vote". Such an initiative could build on regional processes.

In the longer term there is a compelling case for the establishment of a multilateral tax body to act as the global forum for negotiations, dispute resolution and information exchange. The establishment of an International Tax Organization like the WTO was a key recommendation of the UN High Level Panel on Financing for Development ("Zedillo Commission") in 2001. It is clear that the design and establishment of such a body should be informed by the experience (both positive and negative) of both multilateral trade coordination at the WTO and the G20/OECD tax negotiations.

REFERENCES


G20/OECD (2021) Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy Paris: OECD
Towards a new architecture for progressive international capital taxation. / Hacia una nueva arquitectura para una imposición al capital progresiva.

Valpy FitzGerald


OECD (2022), Tax Incentives and the Global Minimum Corporate Tax: Reconsidering Tax Incentives after the GloBE Rules, OECD Paris


SOBRE EL AUTOR / ABOUT THE AUTHOR

Valpy FitzGerald was trained as an economist at Oxford (BA, 1968) and Cambridge (PhD, 1972). Between these two degrees he worked for The Economist. Valpy was Assistant Director of Development Studies at Cambridge (1973-79), Professor of Development Economics at Erasmus University Rotterdam (1980-91) and Professor of International Development Finance at Oxford (1992-2014). Since retirement he is Emeritus Professor of Oxford University and Emeritus Fellow of St Antony’s College.

During his professional career Professor FitzGerald acted as macroeconomic adviser to a number of Latin American governments; as well as several United Nations agencies and the OECD. He acted as adviser on international investment to the newly formed UK Department for International Development 1997-2002, contributing to the seminal 2000 White Paper Eliminating World Poverty: Making Globalization Work for the Poor.

Valpy has a close relationship with progressive Spanish academic economics, having held the Queen Victoria Eugenia chair at the Universidad Complutense (Madrid) 1995-6 and 1996-7; receiving the Gabarrón Prize in Economics in 2007 and an Honorary Doctorate from the Complutense in 2014. He was elected Honorary President of the Sociedad de Economía Mundial in 2015.

Currently, he serves as a commissioner – with colleagues Piketty, Zucman, Ocampo and Stiglitz - on the Independent Commission on the Reform of International Corporate Taxation (ICRICT): www.icrict.org. Since its formation in 2015, the Commission has influenced international negotiations on global corporate tax reform, and is now working on the effective taxation of private wealth.

Valpy continues to actively research the relationship between income and wealth on the one hand, and macroeconomic policy and international finance on the other.