

# TAX JUSTICE: GLOBAL GOVERNANCE CHALLENGES

By Paolo Silvestri



**“Injustice anywhere is a threat to justice everywhere.”**

*-Martin Luther King Jr.*

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On March 14th students of Global Governance from second and third year took part in the lecture by Paolo Silvestri. He is Habilitated Associate Professor both in Philosophy of Law and Political Philosophy, and Research fellow at the Department of Economics and Statistics “Cognetti de Martiis” (University of Turin). He has a Degree in Economics and Commerce, a PhD in Philosophy of Law and, from 2004 to 2012 was Assistant professor in Philosophy of Law (University of Turin). He was also Luigi Einaudi Chair Holder (spring term, 2011) at Cornell University (Ithaca, NY), and was awarded the STOREP Young Scholar Award (2012). Students were introduced to the topic of tax justice, in particular international tax justice, in a very interesting and singular way: through the science of Philosophy. It is self-evident, hopefully, that the latter should help people in making informed decisions when it comes to daily issues, be they national or international.

Nowadays, the Italian government prefers to help the wealthiest people such as entrepreneurs rather than the least-advantaged ones. This trend is confirmed by the latest fiscal policies implemented by the State that are trying to attract big investors and, at the same time, have precluded millions of refugees the possibility to have a safe shelter.

Professor Paolo Silvestri is crystal clear about the need of fighting global injustices through a system of taxation shared by every citizen of the world. Paraphrasing the words of Charles Dickens, justice is not only a personal experience but is finely felt and perceived by every human being. There are tons of activities that have dramatic and harmful consequences for poorer countries. Just to name some of them: tax evasion, tax avoidance, offshore tax havens, lobbies for favorable tax treatment, corrupting influence of natural resource deals or tax competition among poor countries to attract foreign investments. He further explains some of the proposals that have been developed to address those issues, such as the Tobin tax<sup>1</sup>, the Robin Hood tax<sup>2</sup>,

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<sup>1</sup> the tax has been applied to currency conversion in order to decrease volatility

<sup>2</sup> they are mainly taxes for financial transactions

global luxuries tax, carbon tax and air-ticket tax, the only global tax that has been implemented. Other proposals are unitary taxation for multinationals, transparency initiatives such as EITI<sup>3</sup> or global public finance scheme initiatives.

In the second part of his presentation, Professor Silvestri posed to students very challenging questions that remain unanswered. What do we owe to each other? Who is stranger and who is my neighbour? Do we have duties towards strangers? How should we share benefits and burdens of taxation? Why should we pay taxes? Is there a common global humanity? Is taxation a contribution to the common human good? It is clear that the tax system is a necessary character of every society. Searching for a just world, do we need a theory of justice? Would it not be better to reduce injustices?

With these final words, professor Silvestri left us with many interrogatives that made us reason deeply on very important topics. Indeed, we should construct a “global” community able to find an effective solution that will not endanger anyone. People seem to have lost the capacity of reasoning and debating together on daily issues and this has led society to a tremendous cultural impoverishment. Aristotle said that language is the most important medium through which we deliberate about the good. We have not been created to live alone. In order to construct an efficient community worldwide we shall first of all invest on a politics of moral and engagement that is a very promising basis for a just society.

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<sup>3</sup> Extractive Industries Transparency