



03.11.2015 - For many international corporations, the practice of channeling profits into offshore [tax havens](#) has become the norm in modern business.□

[An in-depth study](#) by the [Tax Justice Network](#), an independent research network, found that approximately 21 – 32 trillion dollars has been invested offshore, beyond the realm of tax authorities. This kind of corporate tax evasion affects every country, but the repercussions are especially devastating for developing countries. According to [Global Financial Integrity](#), a non-profit research and advisory organization, developing countries lose more money through [illicit financial flows](#) than they gain through aid and foreign investment.

The [European Network on Debt and Development](#) (Eurodad) has calculated that overall, for [every dollar that a developing country gains, it loses two dollars](#)

. This is money that could be used to improve the infrastructure of these countries, building schools, homes and hospitals, and establishing social aid networks, but instead it trickles to tax havens and into the pockets of wealthy investors.

“People’s opportunities are being stolen from them -because tax revenues aren’t collected”, said Sri Mulyani Indrawati, Managing Director and Chief Operating Officer of [World Bank](#) , at a recent panel discussion. “Development aid, by itself, will not be sufficient to end poverty - - we need international co-operation to fight tax evasion.”



At the United Nations Financing for Development Conference in Addis Ababa in July 2015, several countries called for a UN-governed global tax body. However, wealthier countries insisted that it is not needed. This often leaves it up to individual countries to adopt policies that promote good governance and implement effective tax systems – but not all countries are equally equipped or enthusiastic to do this. Transparent policies and administrative capacity to identify suspicious transactions are desperately needed, but difficult to establish.

Raising awareness of the extent of corporate tax evasion is one way of combating it. Informed consumers may make better choices and demand responsible actions from companies. The latest Ciné ONU (United Nations Cinema) screening of the documentary film [The Price We Pay](#) in Brussels gave viewers an introduction into the world of corporate tax evasion and the inequality it creates.

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