

The history of tax havens

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Description: This course investigates the history of tax havens, both their use by households to evade the taxation of personal income and wealth as well as their use by multinational corporations to shift profits to low-tax jurisdictions.

Fall 2021: The use of tax havens by households

Session 1: Introduction

- Ronen Palan, Richard Murphy and Christian Chavagneux, 2009, *Tax Havens: How Globalization Really Works*, Cornell University Press.
- Gabriel Zucman, 2013, The Missing Wealth of Nations: Are Europe and the U.S. Net Debtors or Net Creditors?, *Quarterly Journal of Economics*, 128(3): 1321-1364.

Session 2: Pre-1914: New Jersey, Delaware, and Switzerland

Guest teacher: Sébastien Guex

- Ronen Palan, 2009, Richard Murphy, Christian Chavagneux, *Tax Havens: How Globalization Really Works*, Chapter 4, Cornell University Press.
- Christopher Grandy, 1989, New Jersey Corporate Chartermongering, 1875-1929, *Journal of Economic History*, 49(3): 677-692.
- Sébastien Guex, 2021, The Emergence of the Swiss Tax Haven, 1816-1914, *Business History Review*.
- Christophe Farquet, 2021, Attractive Sources. Tax Havens' Emergence: Mythical Origins versus Structural Evolutions, working paper.

Session 3: Interbellum

- James Hollis and Christopher McKenna, 2020, The Emergence of the Offshore Economy, 1914-1939, in *Capitalism's Hidden Worlds* edited by Kenneth Lipartito and Lisa Jacobson, University of Pennsylvania Press.
- Sébastien Guex, 2000, The Origins of the Swiss Banking Secrecy Law and Its Repercussions for Swiss Federal Policy, *Business History Review*, 74(2): 237-266.
- Christophe Farquet, 2012, The Rise of the Swiss Tax Haven in the Interwar Period: An International Comparison, *EHES Working Papers in Economic History*, 27: 1-40.

Session 4: Decolonisation and the end of empires

Guest teacher: Vanessa Ogle

- Vanessa Ogle, 2017, Archipelago Capitalism: Tax Havens, Offshore Money, and the State, 1950s-1970s, *American Historical Review*, 122(5): 1431-1458.

- Vanessa Ogle, 2020, “Funk Money”: The End of Empires, the Expansion of Tax Havens and Decolonization as an Economic and Financial Event, *Past & Present*, 249(1): 213-249.
- Ronen Palan, Richard Murphy and Christian Chavagneux, 2009, Tax Havens: How Globalization Really Works, Chapter 5, Cornell University Press.
- Christophe Farquet, 2021, Attractive Sources. Tax Havens’ Emergence: Mythical Origins versus Structural Evolutions, working paper.

Session 5: Financial deregulation and the Eurodollar market

Guest teacher: Sébastien Laffitte

- Catherine Schenk, 1998, The Origins of the Eurodollar Market in London: 1955-1963, *Explorations in Economic History*, 35(2): 221-238.
- Christophe Farquet, 2017, The Swiss Tax Haven, the Bretton Woods System Crisis and the Globalisation of Offshore Finance, in *The Political Economy of Public Finance* edited by Marc Buggeln, Martin Daunton and Alexander Nützenadel, Cambridge University Press.
- Ronen Palan, 2015, The Second British Empire: The British Empire and the re-emergence of global finance, in *Legacies of Empire: Imperial Roots of the Contemporary Global Order* edited by Sandra Halperin and Ronen Palan, Cambridge University Press.

Session 6: Attempts to fight tax havens

Guest teacher: Niels Johannesen

- Niels Johannesen, 2014, Tax Evasion and Swiss Bank Deposits, *Journal of Public Economics*, 111: 46-62.
- Niels Johannesen and Gabriel Zucman, 2014, The End of Bank Secrecy? An Evaluation of the G20 Tax Haven Crackdown, *American Economic Journal: Economic Policy*, 6(1): 65-91.
- Lukas Menkhoff and Jakob Miethe, 2019, Tax Evasion in New Disguise? Examining Tax Havens’ International Bank Deposits, *Journal of Public Economics*, 176: 53-78.
- Elisa Casi, Christoph Spengel and Barbara Stage, 2020, Cross-border Tax Evasion after the Common Reporting Standard: Game Over?, *Journal of Public Economics*, 190: 1-22.
- Niels Johannesen, Patrick Langetieg, Daniel Reck, Max Risch and Joel Slemrod, 2020, Taxing Hidden Wealth: The Consequences of US Enforcement Initiatives on Evasive Foreign Accounts, *American Economic Journal: Economic Policy*, 12(3): 312-346.

Session 7: Tax havens and inequality

- John Guyton, Patrick Langetieg, Daniel Reck, Max Risch and Gabriel Zucman, 2021, Tax Evasion at the Top of the Income Distribution: Theory and Evidence, *NBER Working Paper #28542*.
- Annette Alstadsæter, Niels Johannesen and Gabriel Zucman, 2019, Tax Evasion and Inequality, *American Economic Review*, 109(6): 2073-2103.
- Annette Alstadsæter, Niels Johannesen and Gabriel Zucman, 2018, Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality, *Journal of Public Economics*, 162: 89-100.
- Juliana Londoño-Vélez and Javier Ávila-Mahecha, 2021, Enforcing Wealth Taxes in the Developing World: Quasi-Experimental Evidence from Colombia, *American Economic Review: Insights*, 3(2): 131-148.

Spring 2022: The use of tax havens by multinational corporations

Session 1: Introduction

- James Hines and Eric Rice, 1994, Fiscal Paradise: Foreign Tax Havens and American Business, *The Quarterly Journal of Economics*, 109(1): 149-182.
- Ruud de Mooij, Alexander Klemm and Victoria Perry, 2021, Corporate Income Taxes under Pressure: Why Reform is Needed and How it Could be Designed, Chapters 1-3, International Monetary Fund.
- Thomas Tørsløv, Ludvig Wier and Gabriel Zucman, 2021, The Missing Profits of Nations, *NBER Working Paper #24701*, revised August.

Session 2: Early origins of international taxation and the League of Nations

Guest teacher: Sunita Jogarajan

- Sunita Jogarajan, 2020, The Origins of the International Tax Regime, in *Research Handbook on International Taxation* edited by Yariv Brauner, Edward Elgar Publishing Limited.
- Sunita Jogarajan, 2011, Prelude to the International Tax Treaty Network: 1815-1914 Early Tax Treaties and the Conditions for Action, *Oxford Journal of Legal Studies*, 31(4): 679-707.
- Mitchell Carroll, 1939, Prevention of International Double Taxation and Fiscal Evasion: Two Decades of Progress under the League of Nations, *Series of League of Nations Publications II. Economic and Financial 1939. II.A. 8.*
- Sunita Jogarajan, 2018, Double Taxation and the League of Nations, Chapter 2,3 and 8, Cambridge University Press.

Session 3: Globalisation and the rise of the multinational corporation

Guest teacher: Shafik Hebous

- Shafik Hebous, 2021, Global Firms, National Corporate Taxes: An Evolution of Incompatibility, in *Corporate Income Taxes under Pressure: Why Reform is Needed and How it Could be Designed* edited by Ruud de Mooij, Alexander Klemm and Victoria Perry, International Monetary Fund.
- Geoffrey Jones, 2019, Origins and Development of Global Business, in *The Routledge Companion to the Makers of Global Business* edited by Teresa da Silva Lopes, Christina Lubinski and Heidi Tworek, Routledge.
- Mira Wilkins, 2008, The History of the Multinational Enterprise, in *The Oxford Handbook of International Business* edited by Alan Rugman, Oxford University Press.

Session 4: Tax treaties and foreign direct investment

Guest teacher: Sunghoon Hong

- Bruce Blonigen, Ronald Davies, 2004, The Effects of Bilateral Tax Treaties on U.S. FDI Activity, *International Tax and Public Finance*, 11: 601-622.
- Sunghoon Hong, 2018, Tax Treaties and Foreign Direct Investment: A Network Approach, *International Tax and Public Finance*, 25: 1277-1320.
- Sunghoon Hong, 2022, Tax Treaties and Foreign Equity Holding Companies of Multinational Corporations, *Review of Managerial Science*, 16: 483-520.
- Maarten van 't Riet and Arjan Lejour, 2018, Optimal Tax Routing: Network Analysis of FDI Diversion, *International Tax and Public Finance*, 25: 1321-1371.

Session 5: The OECD: from model tax conventions to harmful tax competition and BEPS

Guest teacher: Reuven Avi-Yonah

- Thomas Rixen, 2008, The Political Economy of International Tax Governance, Chapter 6, p.87-96, Palgrave MacMillan.
- Organization for Economic Cooperation and Development, 1998, Harmful Tax Competition: An Emerging Global Issue, OECD Publishing.
- Reuven Avi-Yonah, 2009, The OECD Harmful Tax Competition Report: A Retrospective After a Decade, *Brooklyn Journal of International Law*, 34(3): 783-796.
- Organization for Economic Cooperation and Development, 2013, Addressing Base Erosion and Profit Shifting, OECD Publishing.
- Reuven Avi-Yonah and Haiyan Xu, 2017, Evaluating BEPS, *Erasmus Law Review*, 10(1): 3-11.
- Reuven Avi-Yonah, 2021, The International Tax Regime at 100: Reflections on the OECD's BEPS Project, *Bulletin for International Taxation*, 75(11/12).

Session 6: The EU and tax competition

Guest teacher: Martijn Nouwen

- Martijn Nouwen, 2021, Inside the EU Code of Conduct Group: 20 Years of Tackling Harmful Tax Competition, Chapter 2 and 10, International Bureau of Fiscal Documentation.
- Rasmus Corlin Christensen, 2021, The Rise of the EU in International Tax Policy, in *Global Networks and European Actors*, edited by George Christou and Jacob Hasselbalch, Routledge.
- Claudio Radaelli, 1997, The Politics of Corporate Taxation in the European Union, Chapter 6, Routledge.

Session 7: The role of the Netherlands in facilitating corporate tax avoidance

Guest teacher: Jan Vleggeert

- Jan Vleggeert and Henk Vording, 2019, How the Netherlands Became a Tax Haven for Multinationals, in *Studies in the History of Tax Law* edited by Peter Harris and Dominic de Cogan, Hart Publishing.
- Michiel van Dijk, Francis Weyzig and Richard Murphy, 2006, The Netherlands: A Tax Haven?, *Centre for Research on Multinational Corporations*.
- Ludvig Wier, 2021, The Dutch Damage Done, in *Tax by Design in the Netherlands* edited by Sybren Cnossen and Bas Jacobs, Oxford University Press.
- Arjan Lejour, Jan Möhlmann and Maarten van 't Riet, 2021, The Immeasurable Tax Gains by Dutch Shell Companies, *International Tax and Public Finance*.
- Tijn van Beurden and Joost Jonker, 2021, A Perfect Symbiosis: Curaçao, the Netherlands and Financial Offshore Services, 1951-2013, *Financial History Review*, 28(1): 67-95.