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Teacher A Taxing G-8 Summit It is worth noting that G8 or the Group of eight industrialized countries will hold their summit on the shores of Lough Erne in Northern Ireland with the host Prime Minister David Cameron setting the agenda of the meeting that will include trade, transparency and taxes. Of these agenda, the most interesting topic is transparency and taxes especially when it came from UK Prime Minister because it presents an irony considering that UK's overseas territories are well known for tax havens such as the Cayman Islands, the British Virgin Islands, Bermuda and Jersey. These territories are considered “ black hole” of finance because of its notoriety of hiding money to escape from taxes.

UK Prime Minister David Cameron acknowledged that tax evasion cost governments billions if not trillion of tax revenues. These revenues which could have been used to finance a lot of things from human development to stimulating the economy had been foregone due to tax evasion. For example, the trillions of dollars being channeled in UKs offshore territories could have netted hundreds of millions of dollars had they been legally taxed. They could have been used to finance education in poor countries to break the cycle of poverty, or to inject funds in social services in countries where malnutrition is acute to save lives. It could also be used to finance a budding business to create value, jobs and further revenue for the government. If tax evasion becomes very pervasive, government will lost its source of revenue to fund the performance its many roles and in effect, will become ineffective. Thus, human development will stagnate because positive interventions will not materialize due to the lack of funds. The poor will remain poor or even become poorer and the rich will remain rich and

even richer. Tax evasion can be done legally by several means. One of the legal tax avoidance that is often resorted to through the shifting of profits to jurisdictions that do not levy corporate tax which UKs offshore territories are notorious.

Taxation serves as an equalizer to take money from those who have it to fund human development. UKs offshore territories defeat this purpose by serving as tax haven for the mega rich which would have been taxed had they been more transparent in their transactions. These explain why it is such an issue when UK Prime Minister David Cameron announced that they will be tackling tax evasion and transparency in the next G8 summit because his country is guilty of providing tax havens both to corporations and rich individuals. Had it been other countries (except for Switzerland which is also known as tax havens and lacking transparency), the agenda would have been treated regularly.

In response to critiques, Prime Minister Cameron announced that UKs ten offshore territories will sign an agreement on corporate transparency as promoted by the Organisation for Economic Co-operation and Development (OECD), saying: " It is important we are getting our house in order." It still remains to be seen however if Cameron can indeed accomplish anything meaningful with his initiatives.

Work Cited

Review & Outlook: A Taxing G-8 Summit - WSJ. com." The Wall Street Journal - Breaking News, Business, Financial and Economic News, World News & Video - Wall Street Journal - Wsj. com. N. p., n. d. Web. 18 June 2013. .