More than three years after the Panama Papers, and a year after Paradise Papers, the situation has not substantively changed. Asia remains a region of stark contrasts, with fast-deepening inequality on one hand and rising wealth concentration on the other, and the trend remains as persistently dire as ever.

What a Bangladeshi garment factory worker will earn throughout her lifetime, a CEO can earn in only four days. What Vietnamese garment workers need to have a living wage, or about $2.2 billion, is but a third of the amount paid to the richest shareholders in the top five garment firms (Oxfam). In Indonesia, the wealthiest 10% of Indonesians consumed as much as the poorest 54% in 2014. Eighty percent of India’s wealth is reportedly in the hands of only 10% of the population. A poor Nepali would have to labor 14 years to accumulate a day’s earnings of a wealthy Nepali, the richest of whom earns 5,000 times more per year than the poorest. Overall, without rising inequality, around 240 million people in Asia would have been lifted out of poverty over the past two decades.

The Paradise and Panama Papers affirmed what we have known all along, from the days of crony capitalism and capital flight to what we currently call illicit financial flows. Not only are the ultra-rich in India, Pakistan, Indonesia, Malaysia, the Philippines and other Asian countries stashing massive amounts of money in tax havens, away from public scrutiny and tax laws. Just as heavily involved are corporations in Asia, whose shareholders and directorates unsurprisingly also include wealthy elites and public officials in high places.

Tax havens constitute one of the most blatant expressions of a fractured global financial system whose cracks are exploited by rich and powerful individuals and corporations to further amass profit. Cloaked in secrecy and lacking in accountability, they are enabling actors in tax evasion and aggressive tax avoidance under a global system of financial dispossession and capital accumulation.

Developing peoples’ need for adequate and affordable social services, decent housing, water and sanitation, job creation, disaster resilience and other urgent human needs are as urgent as ever. Around 1.2 billion people in Asia and the Pacific still live on less than $3/day, with one-third barely surviving below the poverty threshold of $1.90/day. External shocks such as climate change easily pulls people back into precarity and extreme poverty.

The additional financial requirement to realize the Sustainable Development Goals stands at $1.4 trillion annually: $343 - $360 billion for low-income
and revenue-eroding practices of corporations and the wealthy.

The inequality is further emphasized by the impunity with which MNCs and the rich can get away with larceny on the grandest scale with their resources while ordinary waged workers are taxed with grim regularity, and additionally, have to make Value Added Tax (VAT) payments on basic goods and services. Outside of the income tax net, informal sectors prevalent in Asia are also increasingly subjected to VAT, but unlike larger enterprises they cannot claim refunds on their VAT-covered business inputs.

It is estimated that up to $600 billion is lost in annual revenue losses due to tax abusive behavior of MNCs for all countries, while revenues forgone on income taxes due to hidden wealth stand are about $200 billion. As a share of GDP and total tax revenues, most intense losses are in low- and lower middle-income countries, and across sub-Saharan Africa, Latin America and the Caribbean, and South Asia.

The Paradise Papers exposé added yet another layer of proof exposing the global robbery of public money for private gain. It highlighted tax havens in our region such as Singapore (Asia’s Luxembourg), Hong Kong, Labuan in Malaysia and Taiwan (Asia’s Switzerland). More importantly, it educated millions of people about corporate tax abuse, the complicit role of state officials, and the forgone revenues that could have gone to public investments in ensuring the enjoyment of their human rights.

For certain, much more remains hidden both onshore and offshore, often sustained by legal and state trappings. The challenge is being met by rising tax and fiscal justice movements in Asia and other parts of the world that attest to our growing readiness to take on bigger tax and fiscal justice actions for the transformation we want.

End corporate tax abuse and tax havens! Close the loopholes, stop the bleeding!
Build progressive tax systems! Tax the rich, not the poor!
Tax and fiscal justice now!
Join the Global Week of Action to End Tax Havens!
November 1-9, 2018