Chapter 1
Outlining the Field of Tax Justice

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Abstract Taxation is one of the most fundamental and influential institutions in all modern societies. This importance of taxation gives rise to crucial normative, ethical, and moral questions—and assumptions about what is just and morally right are closely tied to the discussion, design and implementation of taxation and certain taxes. For that reason a normative examination of taxation, focusing on issues of justice, is of utmost importance. Tax justice is located in the interstices between the traditional tax disciplines of tax law, public finance, and microeconomics and it is connected to approaches from philosophy and some social sciences. It is clearly an inherently interdisciplinary topic. In order to arrive at a sufficiently coherent and defensible set of concepts within the field of tax justice, we propose to clarify at least four key concepts: (i) state, (ii) citizenship, (iii) property, and (iv) social justice.

1.1 Background

Taxation is one of the most fundamental and influential institutions in all modern societies. It fills the coffers of the state and distributes and redistributes income and wealth. Without taxation no modern state could function and fulfill its public duties and, accordingly, there are only few who argue against taxation in general. However, the extent and depth of this public interference with private property is still highly disputed, in academia as well as in the public discourse and in politics. Lay people and theorists alike hold different and contrary views about the proper height

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and distribution of taxation and about the justification for it. Often such disputes are also influenced not only by personal interest but also moral views about what is just and what is not (Alm and Torgler 2006). Such differences can also be found at the state level, where different tax regimes developed over time, leading to the variety of "cultures of taxation" in today's world (Birger 2008).

The importance of taxation for the social, economic and political functioning of any society gives rise to crucial normative, ethical and moral questions—and assumptions about what is just and morally right are closely tied to the discussion, design and implementation of taxation and certain taxes. The distribution of tax burdens and benefits as well as the usage of the allocated tax revenue is decisive for justice, but like justice itself, these measures are highly disputed (Paul et al. 2006). Especially, in consideration of the ongoing economic crisis and the social, economic and political turmoil it has caused around the globe, the intensification of social inequality and the need to search for measures to overcome the crisis without hurting the most vulnerable, most questions of taxation, particularly regarding tax fairness, who should contribute and how much, have become vital and are widely discussed. Particularly the growing disparities in income and wealth have gained interest and earned criticism, and a change in the tax regime, as well as a higher tax burden on the wealthy, are possible measures against such disparities. Arguments for reducing these inequalities can also be found in their negative effects on the health and well-being of the whole population (Wilkinson and Pickett 2009). Over the course of the last decades a small minority of the super-rich has—looking back in time one has to say: again—detached itself from the rest of the population in terms of income and wealth, and, probably, also political power and influence (Piketty 2014). But how much inequality in income and wealth—within a society and globally—is justified? And on what grounds?

As an effect of the financial crisis sovereign debts are increasing and also pose a significant challenge for intergenerational justice. Some critics argue that the "rich" should simply pay for the crisis in the form of much higher taxes (Crotty 2012), while others are more modest in this regard and warn about the possible negative consequences of excessive taxes on income and wealth (Arnold et al. 2011). Such disputes cannot be settled based on "empirical facts" alone but demand normative reasoning and also political debate (Gaisbauer et al. 2013). A political debate, in which the taxpayers are themselves stakeholders and not to be shut out, is necessary to ground tax politics and give it a wider legitimacy that goes beyond an expert opinion. This is also important for another reason: the functioning of a tax system is to some extent dependent on the cooperation of the taxpayers and on their tax morale and cannot be based on control and power alone (Kirchler et al. 2008).

The individual tax morale and the actual obligations of taxpayers are not always congruent, which can motivate both tax avoidance and tax evasion. Prominent examples like Uli Hoeneß, the former president of the football club Bayern Munich, who was convicted of tax evasion in 2014, are just the tip of the iceberg and it has been estimated by the Tax Justice Network that the super-rich hide between 21 and 32 trillion US-$ in tax havens Henry 2012; Palan et al. 2010). This is money that, as some would argue, should be used for the good, to fight poverty and unemployment.

Again, studies suggest that poorer countries suffer particularly under the illicit money drain, which exceeds by a large amount the development aid they receive from other countries and international organizations (Reuter 2012). The possibilities of international companies avoiding taxes and shifting profits are equally problematic. The ongoing tax competition between states can lead to a rat race that undermines justice domestically and globally (Dietsch and Rixen 2014). It appears—and many chapters in this volume come to this conclusion—that the current tax regimes and the international tax order is not just—at least not in some important aspects—and that it is necessary to tax some people and some companies more than others. But how much taxation is justified? Are there certain limits to taxation? Such limits can certainly be found not only in pragmatic and economic arguments but they are also demanded by justice itself and inherent in basic concepts of desert, property or respect.

It is for these reasons that a normative examination of taxation focusing on issues of justice is of utmost importance, especially in times of disagreement, conflicts of interest, scarce state revenues and economic and financial globalization, as they create additional pressure on the nation state. Such a discussion on taxation and justice takes place on different levels, which we reflect in this volume. On the principal level such a discussion investigates the justification and grounding of taxation as such and the role taxation plays and should play in the design of justice, be it for a just society or a just world order. But these general reflections have to be considered further and there is also a need to discuss different types of taxation, tax systems and their design and implementation on a less abstract level. The current tax systems are the result of a long history and developed out of conflicts, compromises and political agendas. Furthermore, certain taxes, such as wealth and inheritance taxes, are especially contested (Prabhakar 2008). This also reflects the current situation of social stratification and inequalities in power. Whether or not a certain tax should be favoured, and for what reasons, has to be discussed, as well as why it is just to target certain kinds of assets or income. Finally, in times of a globalised world and the wide spread of severe poverty in poorer states, taxation can no longer be viewed as simply a national matter but has to be discussed on the international and global level (Kohonen and Mestrum 2009). How can taxation contribute to a more just world and what obstacles need to be overcome in this regard?

1.2 Key Concepts

Reflections on taxation for a more just world do not come as an agenda for one single academic discipline. Tax justice is not an academic concern that lies at the heart of a single discipline or academic tradition but cuts across a multitude of disciplines like public finance, law, philosophy, political science, fiscal sociology etc. (cf. Musgrave 1996/1997; Leroy 2011). Thus outlining the field of tax justice requires introducing the relevant questions, discussing the appropriate methodological approaches and clarifying the main concepts involved in tax justice reasoning.

The most prominent question in tax policy debates is the one which asks whether our share of the burden which the fiscal authorities impose is fair (Slemrod 2004). On a more abstract level this develops into two central questions of tax justice: whether and on what grounds a given overall tax burden, as well as taxation in general, is justified and whether this burden is fairly distributed among the taxpayers. Normative tax theory proposes two main concepts to justify tax liabilities in general and the specific level and distribution of a given tax burden (Musgrave 2005). The benefit view conceptualizes taxes as the price of public services rendered to everybody and paid by every 'consumer' of these services—according to some specified calculation of individual benefit. The benefit principle connects the fiscal side of the picture directly with the output side of a political and social system. This idea would imply, for example, that taxpayers could refuse to pay taxes for services they neither need nor want. On the other hand, its followers argue that a benefit concept of taxation allows for strong incentives to effectively control the growth of a 'leviathan' state and a potentially byzantine bureaucracy and is therefore in line with democratic standards (Buchanan 1997). The ability-to-pay perspective limits this picture to the input side by proposing only a standard for fair distribution of a given overall tax burden. Consequently, it is in line with the political tax principle of non-affectation which means that the fiscal authorities collect money that is not linked to some special policy programs but instead the political authorities are free to finance policy programs according to their democratic agenda (Brunner 1989). According to the ability-to-pay principle, every taxpayer should make the same (absolute, relative or marginal) sacrifice. Since modern (and all other real-world) tax systems are built upon a multitude of different types of taxes and not upon a single tax the question for practitioners is less one of whether to apply the benefit or the ability-to-pay principle than rather what principle gives better answers to detailed problems of (de-)legitimizing tax policy decisions on different levels (Musgrave 2005). Evidently the benefit principle is normatively closer to economic liberalism while the ability-to-pay principle feeds better into welfare economics and their respective political, i.e. social-democratic, world views. Obviously from a social ethics perspective the normative underpinnings of these two principles are not sufficiently structured grounds on which to build an elaborated theory of taxation and social justice. Such principles must be accompanied by clarified concepts of statehood, citizenship, property and some other conceptualized ideas of social justice.

As to preferential methodological paradigms to investigate such issues, tax justice is clearly a topic which is interdisciplinary in nature. It falls in the interstices among the traditional tax disciplines of tax law, public finance and microeconomics and it connects with approaches from philosophy and some social sciences. Additionally, tax justice is not the first concern of practical philosophy or social ethics. Accordingly, a focus on tax justice may help to mobilize enormous intellectual resources which have been rather fenced in within disciplinary gardens in the cause of greater and more profound rationality in tax justice thinking and discourse. Since conceptual confusion is one of the major fallacies of interdisciplinary research, major effort is to be made to clarify central concepts of the field. In order to arrive at a sufficiently coherent and defensible set of concepts in the field of tax justice, we propose to clarify at least four key concepts: (i) state, (ii) citizenship, (iii) property, and (iv) social justice.

1.2.1 The State

According to eminent scholars like Norbert Elias or Joseph A. Schumpeter the development of the modern system of taxation is part and parcel of the process of civilization and the establishment of modern statehood (Elias 1988). The modern capitalist state is first and foremost a tax state (Schumpeter 1918[1991]). Thus, studies in taxation could be key to a broad range of analytical perspectives from state building (Ardant 1975; Tilly 1975), political rebellion and revolution (Goldstone 1991; Adams 1984), to economic organization, labour force participation or philanthropy, as a fiscal sociological approach suggests (Campell 1993). However, this potential is widely ignored. On the other hand, analytical attempts to shed light on the socio-political processes and constellations that determine taxation could fertilize political sociology considerably. Pressures for transformation from geopolitical, economic, or fiscal crises motivate political elites to respond by altering tax policies. However, the effect of crises on taxation is mediated in complex ways by a variety of additional factors. Such factors might be classes and other social groups with different levels of tax tolerance and interests in different forms of taxation; the balance of power among these groups; the system of political representation; the institutional arrangement of the state apparatus (Campell 1993). Again, these roads are largely still to be travelled. A fiscal-sociological perspective on the state can also be instructive for tax justice theorizing. Awareness of the socio-economic cleavages and the asymmetry of power complete the concept of a state as a polity of common value that is aiming for the common good. The state is an instrument to realize tax justice considerations, but it is never a neutral ground for the competition of the best tax ideas. Statehood and taxation are narrowly intertwined, and so are taxation, poverty alleviation and social justice.

However, in taxation the state is not everything. A lot of issues important for tax justice considerations are located at the international, the supranational, and the global level. Perversions like tax havens, the difficulty of adequately taxing international corporations and capital, issues of international tax competition and 'location factors', the lack of transparency in global (legal and illicit) financial flows are all of major importance for tax justice considerations as well as for handling questions of global and local poverty and justice. One major difficulty arises from the fact that social justice is mostly understood as a matter within a given (national) society. For such an understanding, concerns of redistribution, the financing of public goods and other welfare and poverty considerations, including tax justice, are expressions of an exclusive citizenship.

1.2.2 Citizenship

There is a rich tradition in philosophical debate that focuses on ideas of membership or citizenship, and the relation between the individual and the community. In a nutshell, the modern idea of citizenship means membership of a political community with a given set of duties and access to equal fundamental rights and the conditions necessary for their realisation. In the context of tax justice, duties are often equated with the duty to pay taxes and rights to access a publicly financed framework of goods and services that enables self-realisation on an equal basis and that protects the fundamental rights of citizens. A closer look reveals that the picture is more complex since there is not a clearly defined community of citizens but a given constellation of transactions that involves citizens as well as non-citizens or non-resident citizens. In other words: the community of taxpayers, unified through the same liability, is not identical with the community of formal citizens or the *de facto* inhabitants of a given politico-geographical area since even tourists or economic actors who visit a place or make transactions there—maybe by 'virtual' means, via the internet—are liable to taxes. The same holds true for people who are excluded from society because of poverty, homelessness etc., who still pay taxes when paying for the most basic requirements for survival. On the other hand, the picture of the taxpayer-citizen is not reliably descriptive since there are a lot of possibilities and a far ranging practice of free riding, i.e. tax avoidance and tax evasion, that deprives the community of liable means to raise revenue. In some philosophical traditions, citizenship is sometimes portrayed as an evil rather than a legitimate and desirable state. This, at least, is an impression that one can get from reading R. Nozicks (1974) ideas on taxation and community.

1.2.3 Property

Property is another key concept for philosophical attempts to conceptualize taxation. Taxation, it is often argued, interferes with the private property of the taxpayers and such interference must be justified. Taxpayers—whether it be natural or juridical persons—have some kind of right to their property, one that ought not to be violated by others and the state. Many important questions arise here. Firstly, to what extent and on what grounds is private property justified? When can a person or a company be said to own a certain good—why can some things, such as another human being, never be owned—and what are the limits to ownership and property? Some would want to argue that private property itself is the problem and is only a social construct to legitimise inequalities, others would say that the state's very existence is first and foremost justified to protect private property (Paul et al. 2010). Secondly, it has been observed that the relation between private property and taxation is often viewed as if there existed something like a pre-tax world, in which goods were distributed without the interference of taxation (Murphy and Nagel 2002). On the contrary, the process of acquiring property itself is taking place in a world of taxation and it is shaped by the state. This can lead to a line of argument that grants the state certain property rights over private property, concluding that taxation is the legitimate way to exercise this right. Such concepts of property can be used to justify and to criticise taxation and certain taxes—for example wealth taxes—equally. Thirdly, it can be questioned what possible higher goods than property exist, goods and values that might even allow expropriation by taxation. Tax justice is then the attempt to find a balance that respects private property but limits it.

1.2.4 Justice

Justice is a key concept to delineate the relations between the state and the taxpayers as well as between taxpayers and non-tax-payers (so far as they exist). John Rawls has used the famous words, that "[j]ustice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be rejected and revised if it is untrue, likewise laws and institutions no matter how efficient and well-arranged must be reformed or abolished if they are unjust." (Rawls 1972, p. 3) Taxation is surely such a social institution and one that is of utmost importance for the distribution of income and wealth as well as other goods. Their distribution ought to be just and for that to happen, all attempts to conceptualise tax justice have to specify what rules of justice should be applied and what goods of justice should be targeted. Should the tax system be designed to make the distribution of income and wealth more equitable and to what extent? Should it be designed to respect market outcomes to the greatest possible degree or should it be designed to redistribute resources from the wealthy to the poor? Can taxation be a measure to achieve other goals of justice too, like equality of opportunity or basic liberties? The many different attempts to achieve social justice will most likely produce different answers to those questions and that makes it even more necessary to debate the grounds of justice as well as its application.

Furthermore, recent discussions about global justice have raised new and highly important questions (Pogge and Moellendorf 2008). Persons and companies are now active in different states with different tax laws. We already mentioned that tax avoidance and tax evasion are severe problems since many different and domestic answers to tax justice appear to be outdated in view of these developments of globalisation. It is no longer the task to delineate the relations between one state and its taxpayers just because other states are also involved and taxpayers can move from one to another. If income and wealth can simply move away from one state to another and escape justice, tax justice needs to find answers to these questions.

1.2.5 Trust

One fruitful line of inquiry into the relationship between taxation and justice is to focus on the concept of the fiscal contract. A fiscal contract is agreed by citizens to governs the fiscal (and public policy) authorities that are held responsible for a legitimate use of public money. A fiscal contract is contracted amongst citizens (as a kind of social contract) and governs the fiscal and political authorities (as a kind of political contract). From an economics perspective, contracting requires trust. Trust is a societal resource necessary for all kinds of economic relations. We propose understanding trust as part of the "intangible infrastructure" of a society, an infrastructure of societal intangible resources. A focus on intangible infrastructures like values, knowledge, ideas, and especially the concept of trust allow investigations into the connection between taxes and the common good. Taxation is based on intangible infrastructures and at the same time trust is an important tool to maintain those foundations of a well-ordered society. Intangible infrastructures need to be built and maintained as much as tangible infrastructures. Analytically, trust can be based on four specific sources: (i) confidence (in competence), (ii) a shared ontology of rationality (mode of calculation), (iii) (perceived) resource security, (iv) order security in terms of a reliable and effective frame for agency. In the context of fiscal contract consideration clearly (iii) and (iv) are constituted by or resulting from the contract. Both dimensions of the fiscal contract (constitution of fiscal authorities; social contract between the citizens) involve the sources of trust in a different way and are open to different pathologies or toxic regulations. Beyond that all four sources of trust allow for further considerations of the concept of trust as a pre-economic societal resource and as part of the intangible infrastructure of society.

1.3 About the Chapters in This Volume

This book has three parts. The first part is devoted to questions about the grounding and justification of taxation in general. The second part contains chapters that discuss certain types of taxes and their benefits and disadvantages in relation to justice. The chapters in the third part move the discussion from the domestic to the international level and discuss taxation against the background of the aspiration of global justice.

In the opening chapter, "Fiscal Justice and Justified Trust", *Clemens Sedmak* and *Helmut P. Gaisbauer* are particularly interested in the relationship between formal (legal, political) frameworks and informal networks. There seems to be a culture of suspicion vis-à-vis the former and a culture of trust regarding the latter. This asymmetry in the readiness to trust leads to a way of thinking that supports the idea: "the lower the tax burden, the better". On the other hand, the idea of a fiscal contract is based on an idea of mutual trust (tax authorities trusting the tax payers, i.e. through limited controls, tax payers trust the tax authorities in terms of tax fairness and the appropriate use of the fiscal income). The thesis we will develop here has three elements: (1) Formal frameworks (F) and informal networks (N) are interdependent and mutually linked; trust in F implies trust in N and vice versa. Social networks operate within structural frameworks and need "institutional framework trust" or "trust in systems" in order to be able to flourish. (2) The generation of income and wealth is based on trust—people need social capital and networks as well as legal and political frameworks and public infrastructure in order to generate incomes, in other words: non-communal money or capital independent of structure does not exist. (3) On the basis of this culture of trust as the centre of wealth-generation and common-good tax justice, justified trust can be linked via an "ability to trust" principle and a "responsibility to trust" principle.

In the second chapter, "Taxation and the Duty to Alleviate Poverty", *Gottfried Schweiger* aims to show that taxation in general and progressive taxation in particular are justified by the duty to alleviate poverty in the context of welfare states. He argues that sufficient access to basic capabilities and functionings is an aim that is feasible and a worthy aspiration for welfare states and that it demands comprehensive measures to reduce and to alleviate poverty. Taxation is one important means to achieve those goals in at least two ways: first, it provides the state with the necessary revenue to fund public goods, social services and benefits from which all citizens benefit, but especially for those worse-off who profit the most. Programmes to provide better schooling, housing, health care and social inclusion should be funded publicly because they are not humanitarian aid but the demands of justice. Taxation is a visible expression of this duty of justice. Second, the reduction of tax burdens on those who are poor leaves them with more funds and therefore better opportunities to achieve certain capabilities and functionings. This argument is in favour of progressive taxation which exempts those who are less well-off and burdens more those who are better-off. The reduction of inequalities in income and wealth that is produced by progressive taxation and special taxes on wealth and capital income is a favourable side-effect.

Dietmar von der Pfordten argues in his chapter, "Justice, Equality and Taxation", that the justice of taxation depends first on the distribution being made possible. For him the principle of normative individualism/humanism is fundamental: only individuals can be the ultimate point of reference of moral obligations and hence the justificatory source of ethics, politics and law. In order to balance conflicting interests the "principle of the relative dependence of individual concerns on others" is proposed. The more the origins or the realization of the concerns or the interests of a morally considerable individual depend on others or a community, the more the respective concerns and interests have to be relativized in the process of deliberation, and the more the community may decide according to its common goals. This principle is applied to the justice of taxation. As a basic principle of taxation, a limited equivalence/benefit-principle is defended. The ability principle can only provide some additional considerations. Income can be taxed more extensively than consumption and wealth. A progressive income tax is defended.

The fourth chapter, "'You did not build that road'—Reciprocity, Benefits, Opportunities and Taxing the Extremely Rich", written by *Bruno Verbeek*, examines a typical strategy that is used to argue for increases in the marginal tax burden for the extremely rich by stating that they amassed their wealth by taking advantage of economic opportunities that they had not created themselves. He shows, first, that these arguments commit what could be called a 'fallacy of composition'. They assume that, since an entrepreneur's efforts would be in vain had those public goods and services not been provided, all economic gain therefore is attributable to these goods and services—a conclusion that does not follow. Secondly, he argues that this type of 'Warren argument' appeals to a principle according to which taxation is the price a citizen pays for the enjoyment of the benefits the state provides. Third, he wants to show that such a principle not only undercuts the 'Warren argument', but also that it mandates a completely flat tax rate with no marginal rates at all. In the final part of this chapter, Verbeek discusses an argument for taxing the extremely rich that does not appeal to a benefit principle. This argument proceeds from the idea that justice demands that taxation is levied according to the ability to pay. Social-democrats and left liberals who are concerned about the extremely high incomes at the top end of the income distribution are better advised to adopt such a strategy.

Benjamin Alarie's chapter, "The Challenge of Tax Avoidance for Social Justice in Taxation", aims to explain that the obvious tax policy prescriptions for social resource inequality are not without complications. More specifically, he is concerned with the question of why the most salient of such ideas—increasing tax rates—is not on its own a solution. The problem is that increasing tax rates leave those confronting those higher tax rates with greater incentive to engage in various activities in order to legally avoid those taxes. It also increases the return to lobbying for tax changes that make avoiding that burden more possible. Thus increasing tax rates is not the clear-cut effective policy prescription one might reflexively think it should be. The example of the Bush tax cuts for individuals and certain kinds of capital income illustrates that cutting tax rates is also not the right approach. In many countries claims that cutting taxes will increase tax revenues (i.e., that we "are on the wrong side of the Laffer curve") are incorrect. If tax rates are increased it is not necessarily the wealthiest that will bear the greatest burden, and if tax rates are cut, it is not certain—or even particularly likely—that it will be the least well-off who will benefit. The proper reform is one of base broadening and increasing international tax cooperation. Responding intelligently to the demands for a more progressive tax system that promotes the realization of social justice will confront difficult practical and political challenges. These good tax policy starting points are available if the political will can be found to sustain their introduction and implementation.

Xavier Landes' chapter, "Why Why Taxing Consumption. Justifications, Objections and Social Cooperation", opens the second part of the book. He analyses Robert Frank's proposition of an incremental tax on consumption that is motivated by the control of positional externalities, i.e. the costs that individuals impose on each other when they consume goods for securing or acquiring social status. A close analysis of Frank's proposition identifies three justifications for a tax on consumption: efficiency, paternalism and equality. This chapter has two purposes. Firstly, it reviews these justifications, highlighting some objections and possible replies. As such, it suggests that reasons based on equality or paternalism are controversial while the invocation of efficiency is actually grounded in an underlying view of social cooperation. Secondly, this chapter advances the idea that an ultimate justification for the choice of specific tax base (consumption, income and wealth) expresses such an underlying view. In other words, the choice of a specific tax base is not totally instrumental, it has some intrinsic moral value too. In this respect the chapter ends with a comparison between taxing income and taxing consumption. It is shown that a tax on consumption raises questions that should be answered by political philosophers.

The second chapter of this part, "Egalitarianism and Consumption Tax", is written by *Daniel Halliday*. He examines the criticism of consumption taxes on grounds that they discriminate against the poor: consumption taxes are 'regressive', insofar as they require poor persons to pay a larger fraction of their income per consumed unit of consumed good. After an attempt to spell out exactly what this objection asserts, Halliday attempts to respond to it. The apparently egalitarian complaint about regressive taxation can be countered by other egalitarian worries about the vulnerability of low-income groups to the harms resulting from the type of consumption being taxed. This calls for the redesign of consumption taxes rather than abolition. Further progress can be made by recognizing there are ways of taxing consumption other than the standard model of a sales tax that is typically assumed in these debates. One is to hypothecate the revenues from ways that aid the poor, mitigating the regressivity of the tax burden. Another is to replace sales taxes with licences or permits. Hypothecation and licensing can also be combined in ways that can eliminate regressivity altogether.

Douglas Bamford argues in his chapter, "Ethical Taxation: Progressivity, Efficiency and Hourly Averaging", that calculating taxation on an hourly average basis is an ethical requirement. In order to reach this conclusion the author first presents an argument that tax policies should be guided by the requirements of distributive justice. Bamford takes an ecumenical position on distributive justice, merely showing that most prominent approaches to justice would support a taxation system with two broad features. The first is that the system would be progressive in nature and thereby provide transfers from the economically fortunate to the less fortunate. The second feature is that the system would retain economic incentives and thereby encourage an effective and efficient economy. These two requirements are commonly considered to go against one another, and so proposals that deliver both of these would be attractive in terms of all the approaches to distributive justice set out. A recently proposed form of tax calculation—hourly averaging—is presented and in the final two sections. Bamford shows that this is attractive for its progressivity and for providing economic incentives.

The chapter of *Rajiv Prabhakar*, "Why do the Public Oppose Inheritance Taxes?", is concerned with the common wisdom that inheritance taxes are very unpopular among the public. This public opposition seems puzzling as these taxes typically apply to a minority of estates. Usual explanations for this are that people are poorly informed about the extent of these taxes or that there is a lack of a compelling moral case for such taxes. He argues that current approaches do not go far enough and suggests public attitudes to inheritance taxes are better understood as a specific case of discontent with wider taxes. Addressing this means tackling a disconnection the public feel over the taxes they pay as well as exploring public reactions to different combinations of taxes. Greater public support for inheritance taxes is important for building public compliance with these taxes as well as improving the chances for policy reform.

In the chapter, "The Role of Expressive versus Instrumental Preferences in U.S. Attitudes toward Taxation and Redistribution", *Kirk Stark* connects the debate over U.S. tax attitudes with research on the role of expressive preferences in electoral choice. An expressive account of political behaviour emphasizes the low likelihood that any one voter's views will influence policy outcomes and thus locates her cost-benefit calculus in the expression itself rather than its effect on policy outcomes. Expressive considerations include the reputational consequences of taking sides in popular debates, especially as those consequences bear on the voter's effort to portray herself to the people that matter in her life—her family, friends, co-workers, and most of all, herself. The author explains how an expressive account resolves the supposed "paradox" of popular opposition to redistributive tax policies and discusses the implications of this view for U.S. tax politics.

The third section is opened by a chapter of *Gillian Brock* on the question, "What Burden should Fiscal Policy Bear in Fighting Global Injustice?" She examines how improvements in our fiscal arrangements could be an important vehicle for realizing key aspects of global justice. Her chapter begins by outlining some of the important principles that orient her account of global justice (and, moreover, should be part of any plausible account of what we should aim at in pursuing global justice). Improved institutional quality at both the state and global level has a crucial role to play in achieving global justice goals. Then she outlines some of the challenges that must be met to deliver the necessary institutional quality in the area of taxation. Effective and legitimate states, tax morale, and an appropriate fiscal contract are all highly important for creating and sustaining an environment conducive to beneficial development, as she explains. She discusses some positive proposals for levying global taxes that could assist enormously with realizing global justice. Currency conversion taxes seem especially worthy of serious consideration, as do carbon taxes and expansions of the air-ticket tax. Finally, her chapter briefly reviews some of the features that make the global taxes discussed both normatively desirable and politically feasible.

Vittorio Bufacchi proposes in his chapter, "The Global Luxuries Tax", a new solution to the problem of global poverty. He focuses on Thomas Pogge's Global Resources Dividend (GRD), arguably the most ingenious solution to the problem of global poverty currently on the table. In particular, it will be argued that GRD falls victim to two challenges: the Implementation Objection (it is very hard to implement the GRD in practice, as it is, for example, unclear how to ensure that the GRD applies universally and without exceptions) and the Unintended Consequences Objection (the GRD may not be as effective as it may seem at first, since the policy would inevitably have inflationary pressure, which would wipe out the funds raised by the GRD for its targeted benefactors). Bufacchi then introduces the idea of a Global Luxuries Tax (GLT), and in particular how it overcomes some of the potential limitations of the GRD. The GLT is collected whenever a person, wherever they happen to live (bar a few exceptions), accesses a certain luxury item. One of the advantages of this scheme is that the tax in question is progressive, to the extent that those who frequently access luxuries will repeatedly contribute more to the GLT than those who do so seldom. It is important to distinguish between a Universal GLT and a Partial (or Restricted) GLT. A Universal GLT applies to everyone across the globe who enjoys certain luxuries, even if the person in question lives among the global poor. A Partial GLT applies only to certain areas of the world, namely those countries where the GDP is above a certain threshold. In his view, a GLT entails both Universal and a Partial component, depending on the luxury. The luxuries to be taken into account include Air Travel, Academic Conferences, New Cars and Boats, Financial Transactions (all Universal GLT), as well as Procreation and Mobile Phones use (both Partial GLT). Finally, Bufacchi considers some objections to GLT. In particular, the GLT fares better than the GRD on the Implementation Objection and the Unintended Consequences Objection. He aims to show that the most effective approach to the problem of global poverty requires tackling the problem via a whole range of different measures, from reforming the international tax regime to taxing natural resources. The GLT is simply one measure amongst many others that can deliver for the global poor.

The chapter of *Teppo Eskelinen* and *Arto Laitinen*, "Taxation: Its Justification and Application to Global Contexts", focuses on the justification of taxation, in other words the principled rather than the technical aspect of taxation. They first show how, on the one hand, democracy is required for taxation to be legitimate, and how on the other hand democratic communities are dependent on taxation, and then argue there is no vicious circle. Based on that, they present a typology of ways of justifying taxation, according to which taxation can base its legitimacy on (1) meeting basic needs, (2) financing public goods, (3) redistribution, or (4) (dis) incentivising certain types of conduct. The authors then discuss the applicability of each of these types of justification, arguing that all of them do apply at a global level. This chapter further concludes that different normative justifications guide us towards different designs of taxation in practice, so the background justification has to be made clear, especially when designing new taxation systems.

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