***INT 356 European Economics. Fiscal Policy Presentations***

Overall, the presentations were delivered well, and the slides well designed. As you will see below, some presentations were either lacking relevant data, or were a bit off-subject. What I really wanted to see was an understanding of how Fiscal Policy changes behaviour, and how it can be used in government policy (industrial, health etc.).

Your presentations are now all online on my website on your European Economics lesson page. Presentations in ppt or pptx have been converted to pdf.

***Group 1. Alcohol Duty***

Benjamin Bail, Margaux Parnet, Mary Paulson and Ana Abascal

This was the only group not ready to give their presentation in time. The presentation was mostly off-subject. This is mostly because only one group member (Ana) was present for the fiscal policy lesson in preparation for your presentations and to start research.

Only Ana and Mary are mentioned on the presentation slides, because Margaux and Benjamin didn’t react quickly enough to the e-mails sent out by Ana. This is why the marks are individual for this group.

Content: **USA**. You say ‘’Producing beer can be very expensive in terms of taxes’’ but then say that alcohol duty on beer is 20c per gallon. The average price of wine is not relevant to the duty (unless it is *ad valorem* – which it isn’t).

Good slide on the costs of alcohol and the revenue from duty. I know that it’s difficult to summarise fiscal policy in the US due to different state fiscal policy.

**Spain**. Alcohol duty slide is confusing. You should mention the big increase in duty when beer is above 2.8° alcohol content. Also – indicate special duties to attract tourism in **some** of the Canary Islands.

On the consequences of alcohol, there is no clear data on total tax revenue and total costs.

**France.** The history of alcohol is off subject. Don’t blame Ana for incorrect information. If you had been in class, you would have known what to do, or you could have contacted me. Thank you for correcting the presentation which was based on a document in French, and hence underlined throughout in red. Again – lack of preparation as you desperately tried to prepare your presentation during the presentations by the other groups.

**ESSCAland**. What is an ‘export tax’? on a product you want to export?!

There is no clear health or industrial policy in your strategy.

***Marks: Ana 16/20, Mary 14/20, Benjamin and Margaux 10/20.***

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***Group 2. VAT***

François Barenton, Romain Rieul, Hugo Duarte de Souza and Magingo Mpungwe

**USA.** Good graphic of different state Sales Taxes. You need to underline the problem of tax competition and tax drift in this situation.

**France**. Good chart of different VAT rates. Explain why.

**Brazil.** Lacking details of the differences among states.

**ESSCALand**. Good queen! Good geographical / economic summary. A good policy based on parliament’s vision for the future. You have understood the role of Fiscal Policy!

**Mark: 17/20**

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***Group 3. Corporation Tax***

Alexander Bernard, Laura Bigi, Laura Castellanos Baquero, Anita Munoz

Good presentation of ESSCAland

**Italy.** Rather off-subject. Are there only standard rates of IRAP and IRES, or exemptions?

**Sweden**. Again – needs more detail of Corporation tax.

**S. Korea** – good to mention the difference between standard CT and CT for the Chaebol.

**Colombia**. The Colombian CT is 33%, not the 69.8% mentioned – which you have confused with other taxes.

**Chile**. OK – but lacking detail.

ESSCALand. Good overall industrial policy supported by your CT system and import duties to protect certain industries. I like the use of ‘targeted’ CTs. I’m not sure why ‘Forest rangers’ are on the slide of what you don’t want to support.

The overall country data is weak, but you show a real understanding of how to use fiscal policy to promote a national industrial model. You should include data on tax avoidance for CT, and hence the difference between the ‘official’ rate and the actual rate of return. Also mention tax drift as a result of your policy.

**Mark. 16/20**

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***Group 4. Unemployment Benefit***.

Julien Faure, Valentina Cortes Ayala, Laura Herrera Marcado and Ty Garret Hardy.

**France**. What percentage of the last 12 months?

**USA**. Pretty shocking! Stay employed!

**Chile**. Lacking data. I have no idea how much the UB is, nor for how long it lasts.

**Colombia**. If I’ve understood, the UB is the same for everyone, and not a percentage of previous salary? You should mention that previously there was nothing, and that this new UB was only introduced in 2016.

**ESSCAland**. Good UB and retraining policy

**Mark. 16/20**

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***Group 5. Fuel Duty***

Charles Fremaux, Dive Diaz, Tetsuya Minabe and Davide Gumier.

**Italy, Colombia and France**. Good data. There is heating fuel for Italy only, and no biofuel for Italy?

**ESSCAland**. Good objective. 0% on ethanol – but what will be the environmental and social consequences of importing 50%? Aviation fuel – good idea – but probably requires international agreement. Shipping duty – very low if you really want to achieve an ecological programme. ESSCAzone – good idea. Very good analysis of behavioural changes. Change the ‘frog effect’ to an analysis of tax drift (in and/or out).

**Mark. 18/20**

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***Group 6. Income Tax***

Arthur Gilg, Aaron Hesser and Juan Villamil Ramos.

Good comparison of band and progressive income tax.

**Germany, France and Colombia**. Good data and compatibility.

**ESSCAland.** Clear programme – well argued with comments on tax drift and inward investment

**Mark. 17/20**

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**Group 7. Tobacco duty**

Juliette Gillotin, Fatima Azizbi de Apraiz, Felizia Pasteiner and Innes Elena Prieto

**Austria**. Good, clear data.

**Spain.** Total tax on tobacco is 78.8%, but how much is duty and how much is VAT? We can see the cost to the country of smoking, but not the tax revenue.

**France**. Total tax on tobacco is 80%, but how much is duty and how much is VAT? Good spending and revenue data.

**ESSCAland**. ‘Healthy smoking’ needs a clearer definition. Good comments on tax drift and government policy.

**Mark. 17/20**

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***Group 8. Tax avoidance and Evasion***

Hugo Le Bris, Daniela Caraballo Ibarra, Jose Davila and Eszter Toth

Good description of the difference between avoidance and evasion.

Thank you for the excellent links to ‘Global Corporate Tax Haven Index’ and ‘The Financial Secrecy Index’. I have added both to the ‘links’ page on my website under ‘fiscal policy’.

Good example of Apple tax avoidance. Your picture is very simple. You miss the complexity, including the ‘Dutch Sandwich’ – take a look at ‘[How Apple and the rest of Silicon Valley avoids the tax man’](https://www.wired.com/2016/08/apple-rest-silicon-valley-avoids-tax-man/).

**Hungary**. Good data and Europe map.

**Colombia.** No data on the slide.

**France** – could do with more detail. Also – the difference between the rhetoric and lack of real action to stop tax evasion

**Mexico** – needs better explanation of a ‘shell company’

**ESSCAland**. ‘Need international communities to cooperate’. See ‘[UN launches landmark high-level panel to tackle illicit finance’](https://www.theafricareport.com/24298/un-launches-landmark-high-level-panel-to-tackle-illicit-finance/). There is no clear strategy of how to stop the curse of evasion and avoidance, and why it hasn’t happened – even within the EU with the UK, Luxembourg, Ireland and The Netherlands playing major roles in assisting tax avoidance. See also how Juncker, the EC President, blocked EU reforms on tax avoidance and evasion. This is the same person who said ‘[’I will lead EU campaign against tax avoidance’’](https://www.theguardian.com/business/2014/nov/12/jean-claude-juncker-european-commission-campaign-tax-avoidance-luxembourg)!

Good webliography

**Mark. 19/20**

David Rees

3 April 2020