Development of Discussions towards a Realization of International Solidarity Levies in Japan

Presentation at the International Seminar on Taxing financial transactions to make globalization work for all

Takehiko Uemura
Associate Professor
Yokohama City University
Secretariat
The Japanese Commission for the Promotion of International Solidarity Levies

Brasilia, 10 June 2010
Lack of Finance

1. Tackling climate change (adaptation & mitigation) :
   $150 billion/year
2. Millennium Development Goals :
   ODA + $50 billion/year
3. Food crisis in South: $15-25 billion/year etc.

=> Needs $324-336 billion/year
=> Volume of ODA has been stagnant
=> unlikely to obtain sufficient amount of finance

=> Required to develop innovative sources of finance including FTT/CTL
Japan
1st Stage: Civil Society

- Altermonde
- Study Group on Tobin Tax
- Research Centre for Global Welfare, Chiba University

⇒ Study Group on Global Tax was created in September 2006

1. Research
2. Public awareness raising
3. Lobbying
2nd Stage: Politicians

- **All Japanese Parliamentary Group on International Solidarity Levy** was launched on 28 February 2008
- Key politicians are included
- 3 Purposes:
  1. Research and study international solidarity levy
  2. Become a full-member of the Leading Group
  3. Take a presidency for a Currency Transaction Levy (CTL) task force
Reason why Japan should implement CTL

1. Redistributing finance from Global Rich to Global Poor
   - Revenue: $5.59 billion/year
   → 72.7% of Japanese ODA!

2. When major countries implement CTL:
   $33.41 billion/year
   ⇒ Could contribute to solving climate change and to achieving MDGs
Reason why Japan should implement CTL

3. Gaining control of global finance in our hand
   ⇒ Regain political control
4. Japan could lead global governance
   - True leadership is found in global governance
     <= Global tax facilitates global governance

⇒ If Japan realizes CTL, creating financing for climate change and MDGs, it would be a historical achievement!
国際連帯税議連が外務大臣に要請書を提出

国際連帯税議連、「パスポートのない解決」の主導を求め要請書を提出

2008年6月3日

3日午前、犬塚が事務局長を務める超党派で構成する「国際連帯税創設を求める議員連盟」（通称「国際連帯税議連」）の代表団は外務省を訪れ、高村外務大臣に「開発資金のための連帯税に関するリーディング・グループ」（※1）への参加を求める要請書を提出しました。

要請書では、同リーディング・グループが「革新的かつ実効的な構想を生み出す土壌となっている」ことを強調するとともに、本年の洞爺湖サミット開催に向けてその議長国として、気候変動、貧困、病疫などの問題を「パスポートのない問題」と捉え、これらの問題に対する「パスポートのない解決」を我が国が主導して行うべきだと主張。これらの問題に取組むための資金開発構想を生み出すフォーラムである同リーディング・グループ加盟を要請しました。
3rd Stage: Government

- Liberal Democratic Party:
  “International solidarity levies should be studied further”.

- Fukuda Vision
  “Government will study global environmental tax”

⇒ **Study Group on Global Environmental Tax**
  was established in September 2008 in Japanese Ministry of Environment
4th Stage: Multi-stakeholders

- 22 November 2008: Experts meeting was organized by Study Group on Global Tax
- Scholars, NGOs, Media, Ministry of Foreign Affairs, Ministry of Finance, and Ministry of Environment were participated
- 23 November 2008: Tokyo Symposium on International Solidarity Levies
  => A currency transaction environment levy was proposed
  => Called for a creation of Association of Citizens for International Solidarity Levies (ACIST)
「国際連帯税」東京シンポジウム2008
～日本での実現をめざして～
Establishment of Japanese Commission for the Promotion of International Solidarity Levies (Terashima Commission)

- MPs: Japanese Parliamentary Group on International Solidarity Levy
- Government: Study Group on Global Environmental Tax
- Civil Society: Association of Citizens for International Solidarity Taxes (ACIST)
- MPs, Scholars, NGOs, Trade Unions, Financial sector + Government & International Organizations: Japanese Commission for the Promotion of International Solidarity Levies (“Terashima Commission”)
Mission of Terashima Commission

- Discussing a realistic plan to realize international solidarity levies (ISL), especially a Currency Transaction Levy (CTL)
- Examining technical difficulties of CTL, concrete use of revenue, and its governance
- Based on these examinations, striving for lawmaking for ISL
- Finalized the interim report, and submitted it to Minister of Finance and Minister of Foreign Affairs
Notable Developments (1)

- September 2009: Mr. Naoki Minezaki, Vice Minister of Finance suggested IMF and the World Bank to consider to realize ISL

- October 2009: Ms. Chinami Nishimura, Parliamentary Vice-Minister for Foreign Affairs participated in Ministerial Conference for the “High-Level Taskforce on International Financial Transactions for Development”, decided to join the Taskforce

- Professor Kazuhiro Ueta was selected as one of the nine members of the experts’ team in the Taskforce => Professor Uemura took over
Notable Developments (2)


- 28 January 2010: Terashima Commission was finalized the Mid-term report, and submitted it to Minister of Finance and Minister of Foreign Affairs

- 10 April 2010: The sub-committee on international taxation was created in the Tax Commission of Japan.
Highlights of the Report (1)

- Proposes government to introduce CTL as soon as possible
- Asks government to persuade other major countries so as to introduce it concurrently
- If and when unsuccessful, suggests government to implement CTL on Yen in close collaboration with euro
- Revenue is to be used for achieving MDGs, especially poverty reduction and climate change
Highlights of the Report (2)

- Asks government to have close collaboration with the Taskforce on International Financial Transaction for Development
- Requests government to upgrade Terashima Commission to the Taskforce directly under Prime Minister
- Proposes government to organize the Plenary Meeting of the Leading Group in Japan late this year
- Requests government to legislate ISL
- will propose to introduce Air-Ticket Solidarity Levy as a first step
Japan as Presidency of the Leading Group
References (in English):


Members of Tarashima Commission

<Chair> Jitsuro Terashima (President, Mitsui Global Strategic Studies Institute, The Japan Research Institute, and Tama University)

- Kazuhiro Ueta (Professor, Kyoto University)
- Fumio Kaneko (Professor, Yokohama City University)
- Yoshikazu Miki (Professor, Aoyamagakuin University)
- Toru Morotomi (Professor, Kyoto University)
- Takehiko Uemura (Associate Professor, Yokohama City University)
- Mie Asaoka (President, Climate Change Network)
- Masako Konishi (Climate Change Officer, WWF Japan)
- Tetsuji Tanaka (Executive Director, Altermonde)
- Masanori Inaba (Director for International Health Programme, Africa-Japan Committee)
- Noriko Shirasu (Executive Director, Results Japan)
- Tadashi Inuzuka (MP, Executive Director for Japanese Parliamentary Group on International Solidarity Levy)
- Harunobu Yamada (Ex. Vice CEO of Japan, HSBC)
- Katsuhiko Sato (International Secretary, All-Japan Prefectural and Municipal Workers Union)

+ Ministry of Foreign Affairs, Finance, Environment and WB