

# **Oxfam and Human Act: Stoklund has no reason to be concerned about taxing the super- rich**

Tax Minister Rasmus Stoklund is concerned that a global minimum taxation on billionaires' assets will be an encroachment on Denmark's sovereignty. But it is not about giving up sovereignty. The tax is a moral necessity, write Djaffar Shalchi and Christian Hallum.



A global minimum taxation of billionaires is about creating an international framework that ensures that the richest contribute to financing the global welfare society, write Djaffar Shalchi and Christian Hallum. Photo: Liselotte Sabroe/Ritzau Scanpix



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For decades, taxes for the richest have only gone one way, and that is down. In the world's largest economies in the G20, taxes on the incomes of the richest have fallen by around a third over recent decades. Meanwhile, the richest one percent have increased their share of income in the communities they live in by 45 percent.

Studies show that the super-rich – especially the billionaires – today pay a much lower tax than ordinary wage earners in many countries.

Against this background, a new consensus is emerging internationally. Across continents and political divides, there is an increasing desire to ensure that even the very richest pay a fair tax. This can be seen, among other things, in the G20, which over the summer agreed on historic cooperation to tax the super-rich, as well as in the UN, where taxation of the super-rich is also gaining momentum .

How the Danish government relates to this new international collaboration has so far been unclear.

It was therefore gratifying that the new tax minister Rasmus Stoklund (S) was called to a consultation on 26 September to explain the government's position.

It was a consultation that ended up focusing on the fear of a supranational tax and a desire to focus on information exchange – rather than progressivity in the tax field. This even despite the fact that the minister admits that the growing prosperity of the world's super-rich is unfair.

**The Danish model creates less inequality**

Denmark has a long tradition of progressive taxation, where the richest pay a larger share of the tax, and where the income is used, among other things, to finance a greater degree of welfare and global outlook than we see in many other countries.

This model has helped create less inequality than we see in many other places.

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**Djaffar Shalchi and Christian Hallum**

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But the model is under pressure. Because when it is proposed to increase taxes on the richest, one is often met with arguments that the rich will then flee.

It is therefore obvious that Denmark – with its historical support for progressive taxes – supports international cooperation to tax the very richest.

The minimum tax does not deprive us of the right to decide for ourselves, which the tax minister highlighted as a fear. Power is given back to our legislators so that we as a country can better decide for ourselves how much the rich should pay in taxes, without having to fear that the rich will pull up

their tent poles and move to Switzerland or other tax havens.

Stoklund expressed his concern that an international minimum taxation would be an encroachment on Denmark's sovereignty. He believed that taxation is a national matter that should not be dictated by supranational institutions. However, this concern, we believe, is unfounded.

### **Denmark itself sets the framework for global tax**

The G20 proposal for a global minimum taxation is not about introducing a supranational tax. It is an agreement on a minimum rate for the super rich, and each country can choose for itself how it will ensure this taxation.

It is a model that we have – with great success and with support across most parties in the Parliament – used towards multinational companies.

In 2021, 136 countries and jurisdictions thus agreed to introduce a minimum corporate tax of 15 percent, so that the large companies do not simply move their profits into tax havens. If we can support such a deal for the big corporations, why not something similar for the super rich?

Several countries such as France, Spain, Brazil and South Africa have already given their support to an internationally coordinated tax on the richest.

Opinion polls across G20 countries show that 78 percent of the world's population supports higher taxation of the wealthiest assets. Another study shows that 74 percent of

the surveyed dollar millionaires in the G20 countries are willing to pay more in taxes.

This broad support shows that a global minimum taxation of billionaires is not only a moral necessity, but also a political demand, which goes far beyond the classical political party lines. The international community is ready to take action, and Denmark should be an active participant in this process.

It is not about giving up our sovereignty. It is about creating an international framework that ensures that the richest contribute to financing the global welfare society.