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Article — Digitized Version

Problems of international development taxes: Illustrated by the financing system for science and technology for development

Intereconomics

Suggested Citation: Betz, Joachim (1982) : Problems of international development taxes: Illustrated by the financing system for science and technology for development, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 17, Iss. 1, pp. 36-42, <https://doi.org/10.1007/BF02925920>

This Version is available at:

<https://hdl.handle.net/10419/139785>

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isolated and rare cases the IMF itself has shown the ability to get away from what might be regarded as their conventional stabilization package, towards giving more emphasis to supply side variables. In any case there does seem to be an argument for reducing the degree of quantitative precision involved in Fund programmes since in many cases, and particularly in the context of developing countries, to be too precise is to be too unrealistic. What seems to be vitally important is to gain agreement on the overall strategy behind the policies that are being adopted.

Up to now this article has treated non-oil developing countries as if they were a homogeneous group – this is far from the truth. A significant distinction may be made between those countries that can attract private finance and those that cannot. The latter are particularly dependent on the IMF. If the IMF proves too inflexible to respond to their needs their attention will no doubt switch to the possibility of setting up a new institution designed specifically for the purpose of helping the low income countries such as the World Development Fund proposed in the Brandt Report.

INTERNATIONAL TAXATION

Problems of International Development Taxes

Illustrated by the Financing System for Science and Technology for Development

by Joachim Betz, Hamburg*

Attempts by the developing countries to replace the largely voluntary provision of development aid by a system that would free official resource flows from the possibility of political interference by the donors and from the need for yearly budgetary allocations have been going on for some time. The present author here examines the proposal of the Group of 77 for a Financing System for Science and Technology for Development.

In calling for automaticity of transfers the developing countries are aiming at establishing for themselves sources of finance independent of the fluctuating inclination of donors and providing additional, untied funds on a secure, continuous and predictable basis.¹

In principle there is a whole list of procedures which could meet this requirement:

- ☐ improvement of domestic budgeting procedures on the part of the industrialised countries and linking of their payments to specific target figures;
- ☐ greater involvement of multilateral agencies in the process of resource transfer;

☐ mobilisation of funds from the revenue of "international commons" (ocean fishing, offshore oil and gas, sea-bed mining, etc.);

☐ establishment of national contribution quotas accompanied by the introduction of international tax systems for development financing.²

A predictable, continuous and assured – i. e. in its tendency automatic – inflow of untied aid does not therefore necessarily imply the introduction of

¹ For these criteria cf. IGEFS/CRP. 9 (Intergovernmental Group of Experts of the United Nations Financing System for Science and Technology for Development), 4 November 1980.

² Cf. UNCTAD, Trade and Development Board, TD/B/C.3/161, 16 June 1980.

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international development taxes, even though the two are usually mentioned together.

Motives for Automaticity

The following motives – in addition to those already indicated – can be identified for the developing countries' demand, raised increasingly since the mid-seventies, for automaticity of transfer:

□ Most important is the (to them) disappointing development – relative to their financing requirements – of official transfers and their relative lag behind commercial credits.³ This is largely blamed on a lack of political will on the part of the industrialised countries, a lack that can be expressed in annual budgetary decisions. The demand for automaticity is therefore associated with the hope of additional funds.

□ A large number of the developing countries' investment programmes have to be planned on a long-term basis and therefore require assured, permanent and predictable financing. This applies especially whenever their contribution to the production and export potential of these countries is only very indirect and of a long-term character, as is the case with the new type of basic-needs-oriented programmes. At present, however, the magnitude of aid to the developing countries depends "on the uncertain political will of the countries giving it, and is subject to the shifting priorities of annual appropriations, and the vagaries of legislatures."⁴ The majority of motives for the giving of aid (economic, political and strategic self-interest of the donor countries, humanitarian motives) are subject, both in their totality and with regard to individual recipients, to fairly frequent fluctuations and only a few of the bilateral donors guarantee a greater measure of predictability of future commitments.⁵

□ By far the greater part of bilateral and multilateral aid is linked to specific projects. Projects, in particular the now increasingly supported basic-needs projects, result in not inconsiderable follow-up costs which, as a rule, are not met by the donors. In many cases the recipients would be better served by non-project-linked aid for the full utilisation of those investments already realised rather than by new commitments, especially as they

often have hardly any budgetary scope left with regard to the financing of follow-up costs.⁶ That is why an increased allocation of non-project-linked aid has repeatedly been demanded.⁷

□ Closely linked to the above is the growing discrepancy between ODA (Official Development Aid) commitments and ODA disbursements, i.e. the lengthening of the "pipeline". The recipients attribute this to the great diversity and cumbersomeness of allocation procedures. Improvement is expected from their simplification, from a higher percentage of programme aid and from a greater measure of predictability of resource flows as a result of commitments covering a number of years.⁸

□ Finally, the developing countries object to the continuing high proportion of aid tied to the purchase of goods from the donor country; this increases the cost of the aid for the recipient and restricts his freedom of decision.⁹

Some of the above-listed shortcomings of resource transfer might be remedied by procedures other than automaticity, e.g. by the abolition of tying aid to the purchase of goods in the donor country, by an increased transition to programme aid and to the financing of local currency costs, by commitments covering several years and by increased multilateralisation of development aid. These methods, however, would preserve, more so than automatic transfers, the donors' control of the volume, method of procurement and distribution of aid.

Since there is no tax obligation vis-à-vis non-national authorities (a possible future exception might be the International Seabed Authority) and since such an obligation could only exist in the event of international property, the proposals so far outlined for international taxation are in fact systems of additional direct or indirect national taxation; their collection would be the duty of national authorities who would then pass them on (through an interposed international institution) to the developing countries.¹⁰ The proposed "taxes",

³ Cf. Horst Paul Wiesebeck: Mobilization of Development Finance: Promises and Problems of Automaticity, in: Development Dialogue, 1980, No. 1, p. 6 ff.; TD/B/C.3/161, *ibid.*; UNCTAD, Trade and Development Board, TD/B/C.3/161/Supp. 2, 24 June 1980.

⁴ Cf. North-South: A Programme for Survival – Report of the Independent Commission on International Development Issues, London 1980, p. 244.

⁵ Cf. IGEFS/CRP.8, 5 November 1980; United Nations, General Assembly, Study on Financing the United Nations Plan of Action to Combat Desertification, A/35/396, 17 September 1980; OECD: Development Co-operation, 1979 Review, Paris 1979, Chapter VII.

⁶ Cf. Peter Heller: The Underfinancing of Recurrent Development Costs, in: Finance and Development, 1979, No. 1; Walter A. S. Koch, Eva Lang: Folgekosten von Entwicklungshilfeprojekten (Follow-up Costs of Development Aid Projects), Kiel, February 1980.

⁷ Cf. footnote 4; OECD: Development Co-operation, 1978 Review, Paris 1978, p. 96; United Nations, General Assembly, A/S-11/5/Add. 2; UNCTAD V, TD/234, Manila 1979.

⁸ Cf. Development Co-operation, footnote 5; Wolfgang Buch: The "Pipeline" Problem in Bilateral Financial Co-operation, in: INTER-ECONOMICS, No. 5, 1981, p. 237 ff.

⁹ Cf. Francisco R. Sagasti: Financing the Development of Science and Technology in the Third World, Science and Technology Working Papers Series No. 4, UNITAR, New York 1979.

¹⁰ Cf. H. P. Wiesebeck, *op. cit.*

therefore, are not taxes in a strict sense but, in fact, formulas for the calculation of the payments by such countries as have, by an international agreement, undertaken to transfer them. Admittedly both the scale and the distribution of the tax burden will – once an agreement has been concluded – be outside the donors' control as they will as a rule be bracketed to the volume of international economic activity.

A considerable number of proposals for international taxation have been put forward; only those which have at least been discussed at the level of the international community are listed here (see below).

In spite of the numerous initiatives launched within and outside the United Nations system and the appointment of numerous groups of experts, an international agreement on the levying of sectoral or global development taxes is, for the time being, not a political feasibility. The only financing proposal seriously discussed to date is that of the Group of 77 for the Financing System for Science and Technology for

Development (tabled at the Vienna Conference on Science and Technology for Development in 1979). As this proposal has progressed furthest politically – it is still under discussion at present – it will be used here to illustrate the problems involved in international development taxation.

The Tax Proposal of the Group of 77

The proposal of the Group of 77 for a long-term Financing System for Science and Technology (S & T) for Development is based on the following premisses:

- ☐ Science and technology make a major contribution to general socio-economic development.
- ☐ The enormous disparity in distribution of S & T capacities between industrialised and developing countries has cumulatively increased in the course of time and virtually resulted in an S & T monopoly by the Western economies, a monopoly which is partly responsible for the unequal division of labour between North and South and which impairs the endogenous development of the South. The low degree of diffusion of

International Taxation Proposals

1. General trade tax: tax on the volume of international trade at a rate of 1 %.
2. Special trade taxes:
 - a. On mineral oil: taxation at the rate of \$ 0.01 per exported barrel of oil.
 - b. On services: tax on the financial volume of international passenger and goods transport at a rate of 1 %.
3. Tax on the "brain drain": share-out of income tax of expatriates from developing countries between emigration and immigration countries, and/or additional income tax for expatriates and its transfer to the emigration countries. No data available on the proposed tax rate.
4. Tax on balance of trade surpluses.
5. Consumer tax: additional turnover tax on luxury goods at a rate of 0.5 % of the retail price. No precise definition of luxury goods is as yet available.
6. Taxes on "international commons":
 - a. Taxation of the exploitation of living ocean resources: tax on fish catches outside national economic zones. No precise data as yet available on objects of taxation or rate.
 - b. Taxation of the exploitation of non-living ocean resources: the draft convention of the third UN Conference on the Law of the Sea envisages payments by the concerns granted development concessions by the Seabed Authority, at a rate of 5 or 12 % of the market price of the raw materials extracted.
7. Armaments taxes:
 - a. Taxation of national military expenditure at a rate of 1 %.
 - b. Taxation of armaments exports at a rate of 5 or 10 % of the export value.
 - c. Taxes on the possession of nuclear weapons (no details on the rate of taxation).
 - d. Economies from disarmament: one half of the reduction of worldwide armaments expenditure to be transferred to a fund for the financing of development.

Sources: Eleanor B. Steinberg, Joseph A. Yager: *New Means of Financing International Needs*, Washington DC, 1978; Horst Paul Wiesebach: *Mobilization of Development Finance: Promises and Problems of Automaticity*, in: *Development Dialogue*, 1980, No. 1; A/35/396; IGEFS/CRP. 8.

technological know-how compels the developing countries to adopt Western models and – because of inadequate capacities for the evaluation, choice and adaptation of technologies – to import unsuitable technologies.

□ To prevent this gap from widening even further and to render possible an endogenous scientific-technological development in the countries of the Third World international efforts are urgently needed. This is the more so as the general shortage of finance in the developing countries has so far resulted in a sub-optimal allocation of resources for S & T, although a certain minimum level of investment is a prerequisite of endogenous technological development. Hence the financing of S & T in the Third World is very largely the duty of the industrialised countries.

□ As the balance of trade surplus for manufactured goods is a suitable indicator of a country's relative technological position (and of the use it derives from the international division of labour) this should serve as the formula for calculating payments to the financing system.¹¹

It is not proposed here to examine the justification of the above-listed arguments; at any event the objective of a future financing system for S & T should be the closing or reduction of the technological gap between North and South. From this overall objective follows the task of the System "to finance a broad range of activities intended to strengthen the endogenous scientific and technological capacities of the developing countries . . ." in implementation of the Vienna Programme of Action and complementary to bilateral and multilateral as well as to national endeavours.¹²

One would be looking in vain for precise data on the future application of these funds. So far agreement has merely been achieved on the rough categories to which the subsequent projects will be assigned. If, however, one extrapolates from present trends then the main emphasis will be on the creation of the scientific-administrative infrastructure necessary for an endogenous S & T policy. This means, in detail, the creation of S & T planning institutions, development of appropriate human resources, establishment of national and regional S & T information systems, establishment of centres for technological development (for the evaluation and choice of technologies), support

for basic research in conjunction with the production system.

Quite apart from the fact that the procedure whereby contribution targets are determined even before a precise use has been defined is in itself questionable, the foreseeable areas of emphasis also give cause for concern. For one thing it is difficult to see the frequently stressed need for tying S & T capacities to local demand (instead the predominant orientation is towards the technology supply of the industrialised countries), and for another it is open to question whether the developing countries are well advised to establish a broad range of S & T capacities right across the board. And finally, there is some question about the justification of the existence of a new fund for S & T financing, considering that most of the proposed programme objectives (given an adequate supply of funds) could be covered by the existing international organisations.¹³

Financing Requirements

Like other sectoral financing proposals (Global Desertification Fund; Fund for the Stimulation of Industry)¹⁴ the taxation proposal of the Group of 77 here under examination likewise serves the financing of a definite identifiable "need". The past few years have again witnessed a general boom in global and sectoral need assessments, in the course of which objections to that kind of calculation – objections as justified now as ever – have been relegated to the background. The principal objection to such calculations is that they usually assume the principal parameters to be constant; these include future economic growth in the industrialised countries, import elasticities of industrialised and developing countries, the development of the terms of trade and of national capital-output ratios. But with the elimination of these parameters the predictive value of the estimate tends towards nil.¹⁵

It is evident that the need for S & T programmes is difficult to assess for a number of further reasons,

¹² Cf. A/CONF.81/L.1, op. cit.; IGEFS/CRP.9, op. cit.

¹³ On the planned sectoral share-out cf. United Nations, General Assembly, A/35/37 (Part II), 2 July 1980; United Nations, General Assembly, Intergovernmental Committee on Science and Technology for Development, A/CN.11/7, 16 May 1980; United Nations, General Assembly, Official Records: Thirty-fourth Session, A/34/46, Res. No. 34/218.

¹⁴ Cf. Industry 2000: New Perspectives, UNIDO, N. Y., 1979; A/35/396, op. cit.

¹⁵ On the problem of estimating requirements: H. J. Petersen: Verteilung von Entwicklungshilfe nach Empfängerländern: Probleme der Formulierung operationaler, entwicklungsbezogener Strategien (Distribution of Development Aid by Recipient Countries: Problems of Formulating Operational, Development-oriented Strategies), Berlin 1975; R. Maris: Can we measure the Need for Development Assistance, in: Economic Journal, 1970, p. 650 ff.

¹¹ Cf. F. R. Sagasti, op. cit.; IGEFS/CRP.9/Add.1, 21 November 1980; United Nations Conference on Science and Technology for Development, A/CONF.81/4, 19 July 1979; United Nations, General Assembly, A/CONF.81/PC.28, 9 March 1979; United Nations Conference on Science and Technology for Development, A/CONF.81/L.1, 19 July 1979.

dependent as it is on the structural composition at any given time of the national economy (varying sectoral S & T intensities), of the development strategy pursued and the availability of complementary inputs (mainly in education and training). In consequence, estimates of the S & T requirement, even if the above-mentioned parameters are kept constant, reveal an enormous scatter of the financial inputs regarded as necessary.¹⁶

Thus there is, in this case, virtually no other way than simply to define the developing countries' requirement of S & T programmes on an arbitrary political basis. This is in fact what is happening, even though the reverse is sometimes claimed to be the case.¹⁷ This is justifiable so long as the promoted sector enjoys top priority in development policy and so long as the fixed amount (the Group of 77 adopts the old guideline of the Advisory Committee for the Application of Science and Technology for the Second Development Decade) is shared out in accordance with the order of priorities among those projects with the highest yields. But this cannot be readily guaranteed. Not only are the data on a future sectoral distribution of funds insufficient but the criteria of project selection have also been so far kept in such vague terms that they hardly permit for any project applications to be rejected,¹⁸ and are bound to support allocation exclusively on geographical criteria (presumably an intended effect).

Automaticity of the provision of funds need not necessarily mean automaticity of their distribution in accordance with fixed quotas for national, regional and global projects.¹⁹ However, efforts by the Group of 77 to establish such quotas for the funds of the Financing System for S & T are emerging very clearly. There is moreover a tendency to keep the proportion of allocations earmarked for other than national projects as low as possible.²⁰

Vague Criteria

There is no assurance whatever that the funds made available through the Financing System for Science and Technology in developing countries will in fact be *in addition* to the funds normally available, as the developing countries are demanding. Not only is it possible that the industrialised countries will reduce

their normal aid programmes by their tax amount, but there is, above all, no obligation whatever on the developing countries, according to existing resolutions and documents (in spite of the availability of appropriate international guidelines), to make an appropriate contribution of their own towards the development of science and technology. This gives rise to a serious danger that the internationally agreed funds of a future financing system for S & T might replace present local contributions.

As for the allocation conditions of a future financing system, the developing countries are clearly exerting pressure for a relaxing of evaluation criteria and expenditure control. Flexibility in the examination of applications and the examination of profitability are being recommended, as is a high percentage of untied funds and of the taking over of local currency costs.

The combination of vague sectoral selection criteria, geographical quotas, uncertain self-participation and lax allocation conditions strengthens the suspicion that the developing countries are, in principle, aiming at a kind of general development financing and/or budgetary aid from the resources of the Financing System.

Provision of Funds

Setting aside these misgivings about the use of funds, one is bound to ask whether the tax proposal is satisfactory at least with regard to the provision of such funds. The proposal of the Group of 77 envisaged, for the Financing System for S & T external funding to an amount of \$ 2 bn p. a. (from 1985) and \$ 4 bn p. a. (from 1990). Substantially more than 50 % of these funds were to be raised through automatic procedures, in particular from contributions by the industrialised countries "calculated on the basis of a percentage (to be determined) of the average quinquennial surpluses of developed countries in their trade balance in manufactured goods with the developing countries . . ." ²¹ This means that all industrialised countries should be subject to tax (later some thought was given to a symbolical participation of the developing countries), that the basis of tax assessment should be these countries' export surpluses of manufactured goods in their trade with the Third World, with a tax rate of 2 % being unofficially mentioned. The precise definition of the assessment basis (i.e. the manufactured goods) is found only in papers of a semi-official nature; mention was made, at one time, of SITC positions 5, 6.9, 7, 8.6 and 8.911, at another of positions

¹⁶ Cf. IGEFS/CRP.7, 4 November 1980; by correlating these calculations with the likewise heavily-scattered estimates of the order of magnitude of S & T programmes so far financed it is possible to make any calculated S & T need of the developing countries disappear altogether, cf. IGEFS/CRP.6, Revised, 21 November 1980.

¹⁷ Cf. IGEFS/CRP.9/Add.1, op. cit.

¹⁸ Cf. A/35/37, op. cit., p. 23 f.; A/CN.11/7, op. cit.

¹⁹ Cf. TD/B/C.3/Supp.2, op. cit.

²⁰ Cf. A/35/37 (Part II), p. 15.

²¹ Cf. A/CONF.81/L.1, op. cit., para. C-23.

²² Cf. F. R. S a g a s t i, op. cit.; IGEFS/CRP.17, 13 March 1981.

5 to 8 excepting 6.7 and 6.8²². The objective in any case is the adoption of the national balance of trade surplus for technologically superior goods as an objective indicator of inter-societal technological disparities and hence as a suitable formula for the calculation of contributions to the Financing System.²³

Evaluation of the Tax Proposal of the Group of 77

Generally speaking, international taxes should meet both economic and administrative efficiency criteria, as well as being politically acceptable with regard to the share-out of burdens. Specifically:

- ☐ Equitable taxation in the sense of sacrifice in accordance with ability to pay. This implies universality, i. e. the participation of all countries able to pay.
- ☐ Administrative simplicity and low cost of collection in relation to tax revenues. This is why, among other things, adaptation to existing national taxation systems seems advisable.
- ☐ Tax revenues should (relatively) decline or increase to the extent to which the objective to be financed by the tax is or is not attained.

Equitable Taxation

To ensure fair taxation one must start from the basis of assessment. It is very much open to doubt whether the balance of trade surplus for manufactured goods is indeed a suitable indicator of technological superiority since exports in many cases precede the more advanced forms of international division of labour (private direct investments, management contracts, etc.) and are increasingly replaced by them. Thus less advanced industrialised countries might find themselves at a disadvantage, contrary to the aims of the tax proposal. Such data as national research and

development expenditure or patent and licence revenue might make more suitable indicators of technology potency – but neither of these is readily susceptible to exact measurement or definition.

Moreover, the choice of surpluses of manufactured goods favours those countries which largely produce and export agricultural products and raw materials with a nonetheless considerable technological input (USA, Canada, Australia). The countries liable to tax would thus be penalised or rewarded in an unjustifiable manner for their accidental factor endowment.

The assertion that this proposal would place particular burdens upon the lesser industrialised countries with naturally high net exports does not carry conviction.²⁴ On the basis of the above-mentioned unofficial data on tax rate and definition of manufactured goods one finds that (relative to GNP) the burden on the smaller countries (with the exception of Switzerland) would be entirely moderate. The principle sufferers, on the other hand, would be the Federal Republic of Germany, Japan, Britain and, to a slightly lesser degree, France. Advanced industrialised countries such as the USA, Canada and Australia would get off comparatively lightly since they very largely export agricultural products and raw materials and/or have replaced exports by production abroad. The socialist countries of Eastern Europe would likewise have to make only small contributions as their export surpluses in trade with the Third World are modest with regard to the product categories in question.

If tax contributions were to be made in accordance with the magnitude of the surplus for certain manufactured goods – this being the supposed indication of technological superiority – then, if this

²⁴ Cf. the discussion in: Financial Arrangements for the Promotion of Science and Technology for Development, Science and Technology Working Paper Series No. 11, UNITAR, N. Y., 1980 and IGEFS/CRP.9/Add.1, op. cit.

²³ Cf. IGEFS/CRP.9/Add.1, op. cit.

WELTKONJUNKTUR DIENST

Annual subscription rate
DM 80.–
ISSN 0342-6335

This quarterly report – compiled by the Department on Business Cycles and Statistics of the Hamburg Institute for International Economics – analyses and forecasts the economic development of the most important Western industrial nations and of the international raw materials markets.

V E R L A G W E L T A R C H I V G M B H - H A M B U R G

criterion were to be applied consistently, the allocation of aid would have to be proportionate to the magnitude of the deficit. This is indeed suggested by some earlier texts which insist on an adaptation factor in favour of the poorest countries (see below).²⁵ However, an allocation of aid on this criterion would lead to grotesque results: the highest per-capita allocations would go (under the above method of calculation) to the OPEC countries and the lowest to the LLDCs. The newly industrialised countries would come off relatively well. This result is not really surprising since increased participation in international trade and in particular the purchase of technologically superior goods in itself presupposes a certain level of development.

The patently limited tax equitability of the proposal has already given rise to various reflections on possible and necessary correcting factors. The least that would be necessary would be adjustments to the disadvantage of the OPEC countries and the socialist countries and in favour of the LLDCs and the industrialised countries with extremely high net exports. The multiplicity of necessary adjustment factors, however, would add considerable administrative difficulties to the collection of the taxes. This raises the question of whether the choice of already accepted contribution formulas (e. g. for the UN budget or for other international organisations) might not be preferable.

Economic Efficiency

The frequent assertion²⁶ that the amount of taxes collected on the basis of this proposal would be subject to large fluctuations because of the fluctuations in balance of trade surpluses is incorrect. Although the balance of certain industrialised countries in their trade with the Third World shows certain fluctuations, these are very nearly eliminated in the envisaged five-year moving average of the balance of total trade. Tax revenue would have increased at a higher rate over the past few years than global GNP; it would decline again to the extent that the developing countries would themselves, to a greater extent than hitherto, become exporters of manufactured goods, thereby narrowing the gap between their own and the industrialised countries' exports of manufactures. If this is equated with the closing of the technological gap – although there are certain objections to this – the proposal would be consistent with the above-postulated criterion of economic efficiency.

It should be clearly realised that this proposal is not for a genuine "tax", to be collected without, or with a purely

symbolical, participation of national authorities. After all, the balance of trade surplus for manufactured goods is not, especially if the above-mentioned adjustment factors are applied, directly taxable but is merely the formula for calculating the contributions of national governments. The innovation (e. g. compared with national UN contributions) would be in the fact that the tax revenue, and hence the funding of the Financing System, would depend on measurable economic activities and not on an (at least periodically necessary) agreement among the donors on quota increases.

The necessary participation of national authorities raises the problem (as it does in other tax proposals) of possible sanctions against tardy payers. Even after the conclusion of treaties under international law for the purpose of development financing such sanctions, when it comes to the point, are confined to moral appeals.

Consequences for the Traditional Resource Transfer

Even if one disregards the above-mentioned reservations concerning the proposal of the Group of 77 for a Financing System for S & T there still remains the general question of the enforceability of automatic transfers. The introduction of international development taxes cannot be accomplished without the political agreement of the donors. Doubts are justified, however, as to the readiness of the donors to allow the determination of the amount and distribution of the funds to be substantially taken out of their hands; if this is done nevertheless then negative effects on the traditional transfer of resources will have to be expected as well as, in the long run, an indifferent observation of contractual obligations by those liable to tax.²⁷

Those countries especially which would have to fear most from the introduction of international trade taxes – and these include the Federal Republic of Germany – have not only massively opposed such international tax proposals as the one discussed here but have also on the national scale displayed but little initiative in meeting the justified wishes of the developing countries as regards the predictability of resource transfers. It remains to be seen, however, whether these not unfounded doubts about international tax or levy systems can be politically maintained in the long term without concessions being made in the modalities of bilateral aid.

²⁶ Ibid.

²⁷ Cf. William R. Cline: Resource Transfers to the Developing Countries: Issues and Trends, in: same author: Policy Alternatives for a New International Economic Order, N. Y., 1979, p. 345 ff.

²⁵ Cf. Financial Arrangements . . . , *ibid.*