Backup notes for the letter "Flows of migrants, flows of money"

Preliminary note:

The following backup-note draws from various Jesuit apostolates and Social Centres active in the area of migration, Corporate Social Accountability, development aid and Tax Justice. It aims to present and comment upon current and potential developments and presupposes some of the underlying assumptions of our empirical research and theoretical-ethical reflection, which we will be happy to explain if requested to do so.[1]

Dear Minister Dr. Kneissl,

With concern we notice the hardening of individual EU Member States as well as the EU as a whole regarding immigration and immigrants from Africa. "We", in our case, mean the Provincial Superiors of the Jesuits as well as the Head of the Joint Jesuitenmission-Offices in Germany and Austria and the President of Jesuits in Africa and Madagascar and his staff and collaborators.

When Austria assumed the EU presidency the lead motive is "A Europe that protects", its priority goal No. 1 out of three reads "Security and the fight against illegal migration."[2] This suggests that migrants are seen as clandestine criminals rather than refugees, as a threat to Europe rather than individuals in need of protection. Against that we protest decidedly because it is our conviction that migrants are the symptom of problems with deeper root causes, not the problem in itself. Such a view further contradicts the general tenor of the Global Compact for Migration, which almost all states of the world will sign 10/11 December 2018 in Morocco. Therefore we request from the European Union and member states, its public, media and governments, that attention is decidedly and swiftly shifted towards the root causes of migratory movements.

A much better approach to the real problems at hand is, for example, to increase developmental aid (ODA) and economic cooperation. However, even this needs to be put into the wider perspective and context of other financial and monetary flows:

Repeatedly, also at summit meetings between the European Union and African Union and most importantly in Valetta 2015, a link has been established between developmental aid on the one hand, and the cooperation of African states in curbing (transit)migration and the ac-

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[1] A seminal treatment of transcontinental migratory systems in times of globalization is given in Alt, J., 2009. Since this Backup-Appendix was drafted in cooperation between German and English language Jesuits, some German quotations are left that way and are not translated into English. Apologies for language mistakes.

[2] P. 7f of Programme of the Austrian Presidency, for download at https://www.eu2018.at/dam/jcr:52862976-3848-403e-a38a-6aac8bcbe34d/Programme%20of%20the%20Austrian%20Presidency.PDF

ceptance of deported citizens. [3] *And of how much money are we talking of? For the EU-AU 2017 Summit in Abidjan the figure of Developmental Aid from the EU to African states was said to be 25 billion USD.* [4]

Against this we note that "guesstimates" of remittances of legal and illegal migrants and Diaspora Communities to African countries range between 40 and 150 billion USD, a significant higher amount than ODA. [5] *Admittedly it is difficult to quantify remittances of "illegal" immigrants because they use transfer channels outside of official observation (Havallah, Hundi, Courier services…), but there are indicators that their contribution is very significant as well. As the OECD points out in its report "States of Fragility" (2016), one should take note of the importance of remittances for poor and fragile countries in the first place. In addition, legal and illegal migration is part of the obligation of sons and daughters to support their families in countries without functioning systems of social security.*

Apart from issues of sovereignty and human rights: To understand the issue of remittances is crucial to understand links between the missing or reluctant cooperation of African governments in curbing (transit-)migration and/or the accepting back of own citizens. But first some issues illustrating complexities at hand:

First, there are no adequate statistics measuring extent and amount of migrant remittances. The problem starts, following a team of the World Bank, with the following: An important source for quantifying remittance flows are the balance sheets of the IMF, but those information are, as a rule, lower than information on the same issues published by African central banks. One of the reasons is that it is difficult to identify and categorize monetary flows in general. In addition it is known that even legal migrants, facing high transfer costs charged by service provider such as Moneygram or Western Union, increasingly prefer informal ways of transfer which are inaccessible for statistic measurement: courier services and regular travelers (passing along the so-called "petites enveloppes"), Havallah and Hundi Banking or the newly emerging options via ITC technology (Ratha & al., 2011, S. 51ff.). It is estimated that between 45% and 65% of all remittances transfers nowadays are done via informal networks.[6] World Bank Economist Dilip Ratha admits: „Surveys of migrants and remittance recipients

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[3] Most importantly at the Migration Summit of Valletta in 2015, but also at the 2017 Summit in Abijan and the reiteration on part of the EU at the Council Meeting of June 2018.

[4] 21 billion Euro in 2016, See http://www.consilium.europa.eu/de/meetings/international-summit/2017/11/29-30/

[5] For example: UNCTAD 2018 Report Economic Development in Africa – Migration for Structural Transformation. See http://unctad.org/en/PublicationsLibrary/aldcafrica2018_en.pdfWorld Bank Group; Or: World Bank Group/KNOMAD. (October 2017). Migration and Remittances. See http://www.knomad.org/sites/default/files/2017-12/Migration%20and%20Development%20Report%2012-14-17%20web.pdf?mc_cid=a8f60e8ce7&mc_eid=c814f687b7 or

[6] An overview regarding latest developments in the area of remittances transfers and techniques is offered by Lee Naik (12.7.2018) Who will be the WhatsApp of remittances? ITWeb, see https://www.itweb.co.za/content/lLn14MmyLbaMJ6Aa

and other secondary sources suggest that informal remittance flows, which are not included in the IMF estimates, could be equal to or exceed official figures for Sub-Saharan Africa." (Ratha & al., 2011, S. 52)

The second question of importance is whether one dares to include remittances done by un-documented migrants into the calculation at all. This is burdened with particular uncertainty since their transferrals are banned in principle from formal channels and statistics. However, there are many good reasons to assume that also undocumented migrants transfer a high amount of money to their families and relatives back home. (Alt, 2009, S. 172ff).

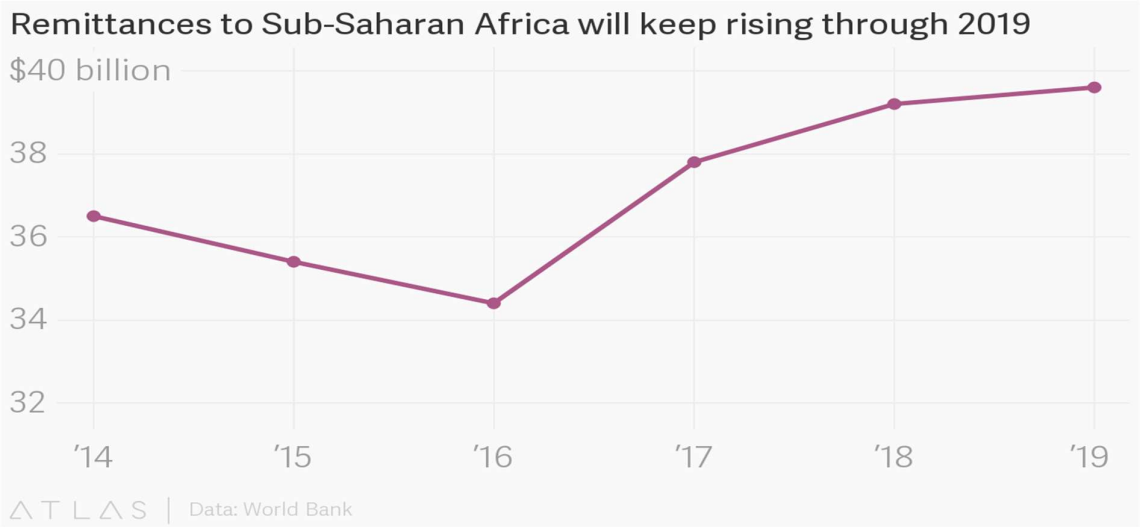
A third note of caution is in order regarding statistics because of the difference if figures are circulated for the whole of Africa (i.e. the Maghreb and Sahel states as well) or Sub Saharan Africa only.

On that background, some recent „guesstimates" for annual flows here are the following:

- 39 billion USD (Sub Sahara Africa only)[7]
- 65 billion USD (on average 2014-2016, all Africa (UNCTAD, 2018, S. 135))
- 50 billion USD, and up to twice or thrice the amount of undocumented migrants are included (all Africa)[8]

And: The trend in migrant remittances is on the increase:[9]

Graphic 1Remittance trends to Sub-Saharan African countries



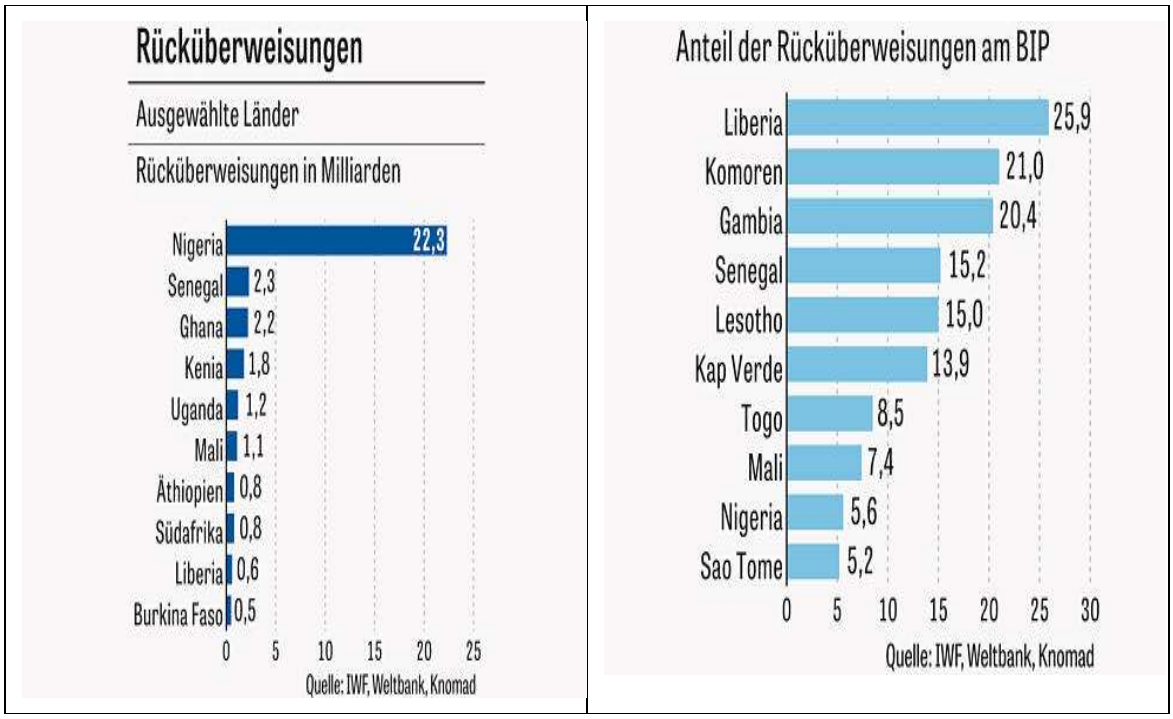
[7] (World Bank Group; KNOMAD, 2017) KNOMAD stands for "Global Knowledge Partnership on Migration and Development".

[8] „Jahr für Jahr schicken die 140 Millionen im Ausland lebenden Afrikaner fast 50 Milliarden Dollar heim. Die Dunkelziffer könnte ums Doppelte oder gar ums Dreifache höher sein, meinen Experten, denn viele geben ihr Geld heimreisenden Bekannten mit, das damit in keiner Statistik auftaucht." (Dieterich, 2016)

[9] Data used for the graphic originates from (World Bank Group; KNOMAD, 2017), the graphic itself is taken from https://qz.com/1220998/cash-remittances-to-africa-up-again-says-world-bank-world-remit-sees-opportunity/

To illustrate the importance of those monetary flows, next a selected number of countries. The true importance of those financial flows is revealed only once one beholds its share relative to the national GDP:

Graphic 2 Remittances into selected countries, absolute amount (billion USD) and relative importance (in percent as share of GDP)[10]



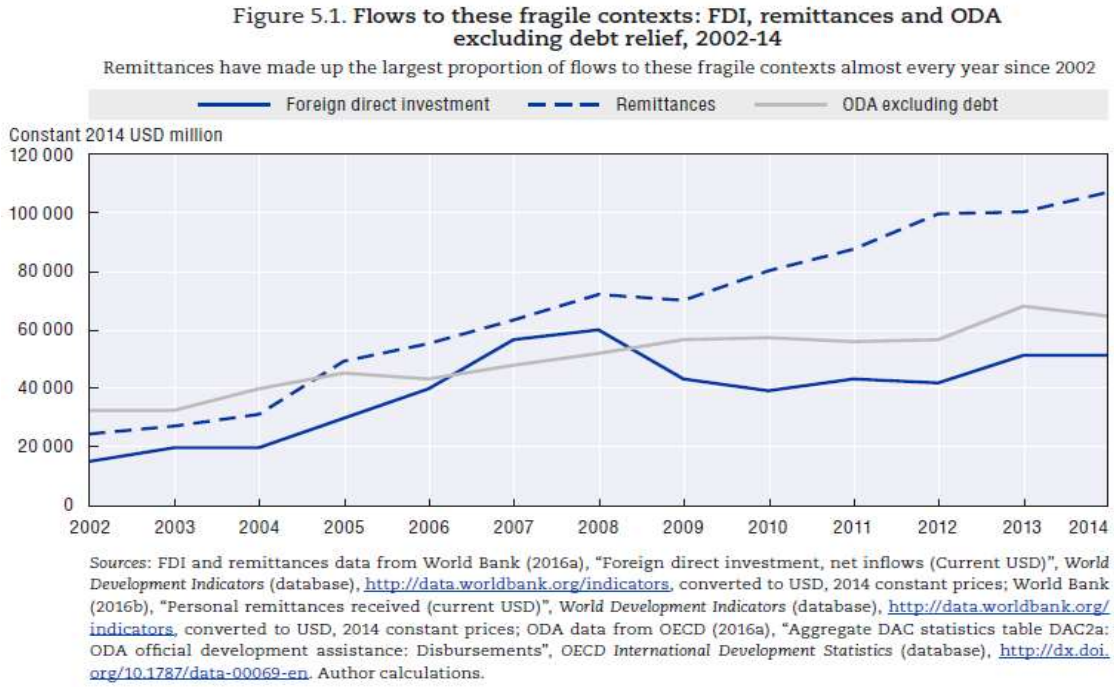
Now: How do those financial flows compare quantitatively in relation to developmental aid and foreign direct investment? Once more, it depends whether one confines the examination to remittances of legal migrants using formal channels of transfer or whether one includes undocumented migrants and informal channels outside statistical measurement into the "guesstimate"

Following the OECD study "States of Fragility", migrant remittances surpass both ODA and FDI:[11]

[10] Data used for the graphic originates from (World Bank Group; KNOMAD, 2017), the graphic itself is taken from Geisler, H. (23.3.2018) Ziel Europa. In: Frankfurter Rundschau http://www.fr.de/politik/flucht-zuwanderung/migration-aus-afrika-ziel-europa-a-1473496,0#artpager-1473496-1

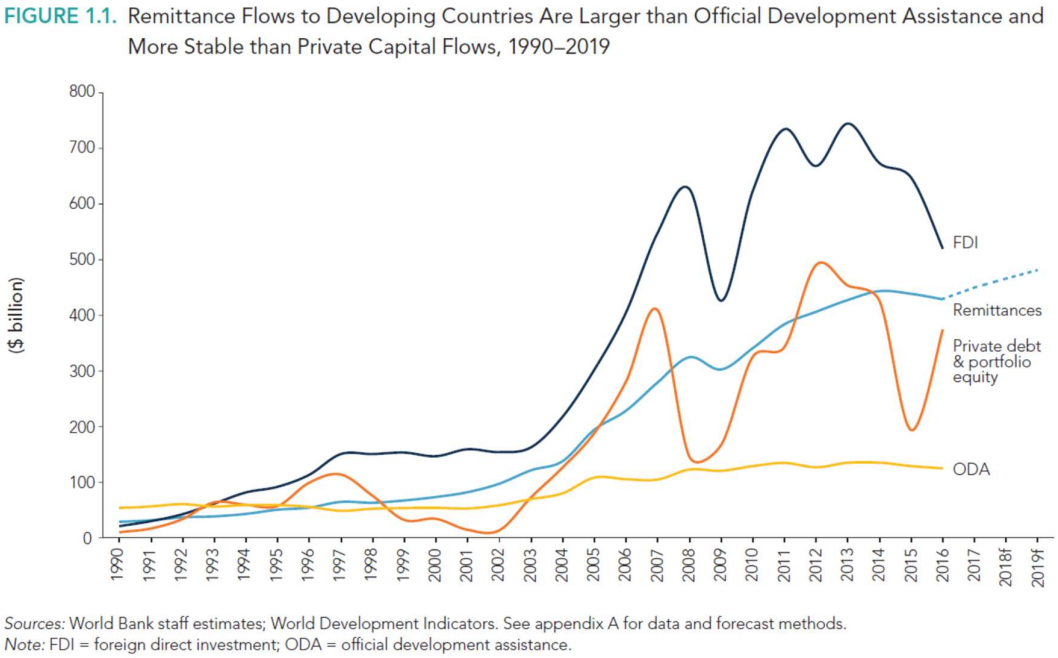
[11] The graphic is taken from (OECD, 2016), current and constantly updated material see http://www.oecd.org/dac/stats/beyond-oda-remittances.htm

Graphic 3 Financial flows to fragile contexts (OECD)



The World Bank, on the other hand, rarely includes informal transfers and therefore arrives at lower numbers. At the same time: even the World Bank emphasizes that remittances are surpassing developmental aid considerably:

Graphic 4 Remittance flows to developing countries (World Bank)



Source (World Bank Group; KNOMAD, 2017)

Especially people living in poor and fragile states profit most and directly of this form of financial assistance for their consumption, education, health care, building of houses or establishment of small businesses.[12] But there are indirect benefits as well. For example, remittances contribute to better ratings of poor countries on financial markets which impacts on their credit worthiness and lowers interest rates (Alt, 2009, S. 176f.) and (Ratha & al., 2011, S. 54f.).

Finally, those remittances behave more often than not "countercyclical", because: In time of need, migrants undertake particular efforts to support their families back home, whereas developmental aid more often than not is decreasing during times of crises:

> The United Nations Conference on Trade and Development (UNCTAD) made this known in its Economic Development In Africa Report 2018 titled: "Migration for Structural Transformation." "Aggregate estimates of international migrant remittance flows show that cash remittances are greater than official development assistance and also more stable than foreign direct investment and are thus a critical and stable source of external finance for Africa," according to the report. The report, released on May 31, this year in Accra, stated that migration could boost productivity growth in agriculture, construction, mining and services.[13]

Accordingly, there are a number of indicators suggesting an eminent role of remittances when it comes to combating and reducing poverty.[14]

The last sentence in the previous quote leads to the point of major importance: The role of migrant „diasporas":

Somewhat between 30 and 140 million Africans live outside their countries of origin.[15] The considerable amount of uncertainty about precise numbers is, once more, due to the fact that many elude statistical registration. Even those entering developed countries legally, e.g. with

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[12] „Allein in Somalia „sind vierzig Prozent aller Familien auf Unterstützung aus dem Ausland angewiesen, jährlich kommen auf diese Weise bis zu zwei Milliarden Dollar ins Land. Das entspricht mehr als einem Fünftel des Bruttoinlandsproduktes und übertrifft bei Weitem die Entwicklungshilfe für Somalia. Ohne diese Rimessen der in alle Welt zerstreuten Landeskinder wäre der durch einen 27-jährigen Bürgerkrieg völlig zerstörte Staat nicht überlebensfähig. Ausgerechnet von Flüchtlingen wird die geschundene Nation am Leben erhalten. Es ist der krasseste, aber keineswegs einzige Fall eines afrikanischen Staates, der am Tropf seiner emigrierten Bürger hängt. Auch Eritrea, Äthiopien oder Gambia könnte ohne die Rimessen ihrer Migranten kaum wirtschaften..." (Dieterich, 2016)

[13] See Migration GDP Contribution To Rise (8.6.2018) In: Dailyguide Africa http://dailyguideafrica.com/migration-gdp-contribution-to-rise/. See auch (Alt, 2009), (UNCTAD, 2018) sowie (Ratha & al., 2011).

[14] „Diese Gelder würden auch wesentlich sinnvoller als die Entwicklungshilfe eingesetzt, sagen Kenner der Materie, denn die Familien wüssten am besten, was sie am nötigsten haben. Und außerdem ist der notorische Mittelschwund durch Bürokratie oder korrupte Politiker bei den Direktüberweisungen ausgeschlossen." (Dieterich, 2016). See for that (Alt, 2009), (OECD, 2016) as well as (Ratha & al., 2011).

[15] The lower figure is taken from Ratha (2011), but he himself argues immediately that this number is far too low. The highest number quoted is taken from (Dieterich, 2016).

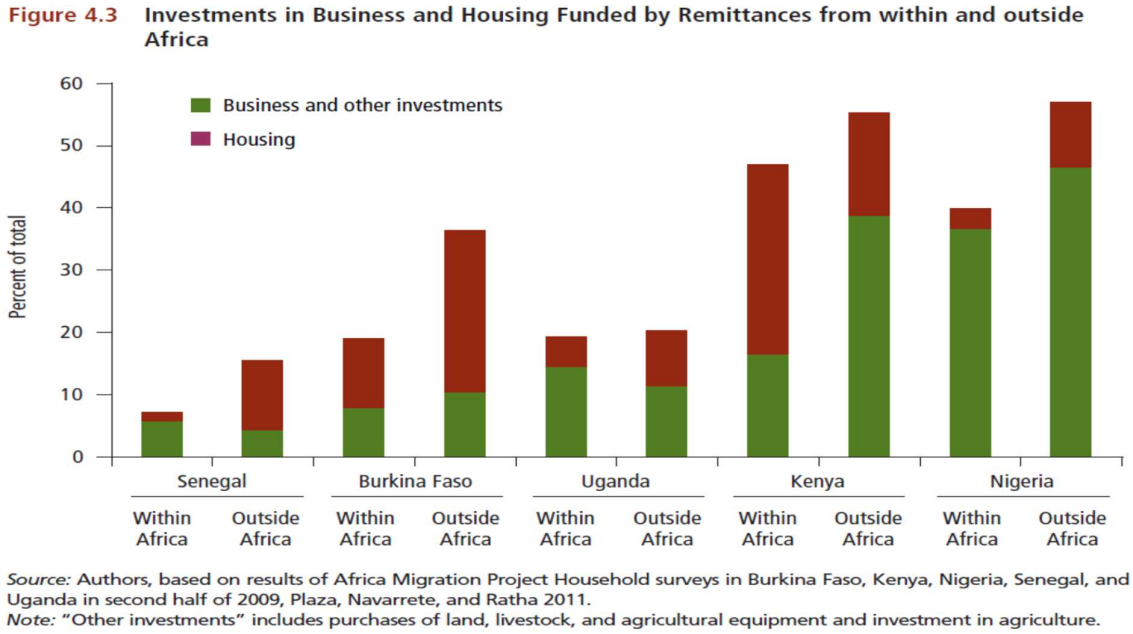
visa, where governments assume that they have left the country after expiration, may have „overstayed“ and are still remaining. We have to add the number of undocumented migrants or migrants arriving irregularly via „secondary migration“ from the country whose visa they had originally etc.

In those so-called Diaspora Communities, both legal and undocumented migrants merge, at times peacefully cooperating, at times in conflict and tension.

The importance of Diasporas explains itself not merely because they transfer considerable support in terms of money and goods. They are also „bridgehead“ for economic (both business and trade) networks, they organize professional training and other form of education, the employ countrymen, they care for the sick home and abroad. [16]

The very mingling of legal and undocumented migrants is also essential for understanding the fact that remittances do not merely serve immediate needs such as consumption, education or health care. Rather, they serve also tender attempts to aim for lasting improvement in their countries of origin, e.g. via in business and employment:

Graphic 5 Spending and investment of remittances

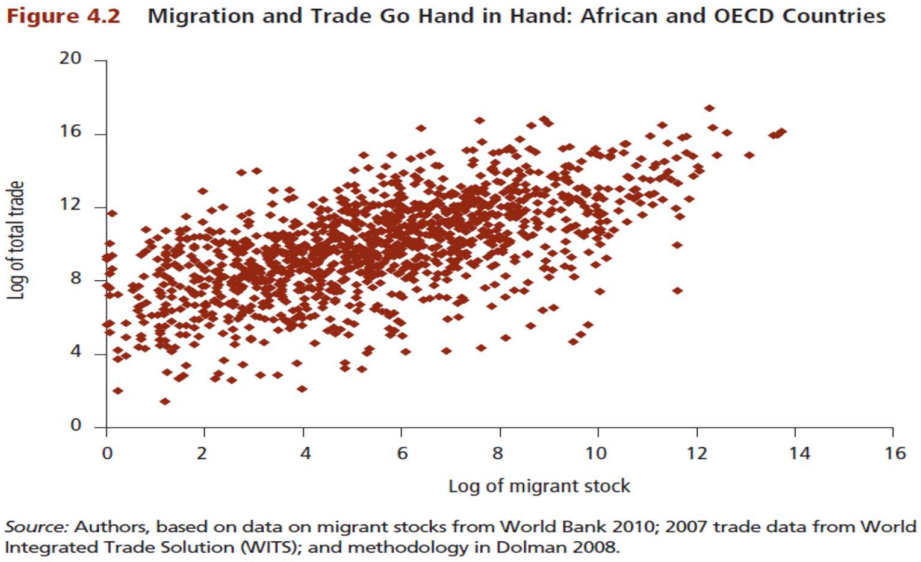


Source (Ratha & al., 2011, S. 154)

Once businesses are established, trade is following, which is why a World Bank team states a link between migration on the one side, and the growth of trade on the other:

[16] See (Ratha & al., 2011, S. 147ff.) and (Alt, 2009, S. 179+253ff).

Graphic 6 The link between migration and trade



Source 1 (Ratha & al., 2011, S. 152)

And the very best regarding those financial flows and transfers: They take place outside corrupt structures of established governance because they use informal channels of transferral where trust is a very high asset for business![17]

There are even deliberations as to how to better utilize savings of Diaspora communities for investment in countries of origin. The potential being, following conservative guesstimates, that those savings may amount to 50 billion USD annually (see the following table). It could be raised, for example, by the issuing of specific forms of bonds (Ratha & al., 2011, S. 156ff.) and could then be invested in projects traditionally not covered by remittance flows such as infrastructure. And: Here again we encounter a financial source for development which is twice that of annual EU developmental aid!

[17] See Alt 2009, S. 179f and 253f as well as: Ade Daramy (Chair of the African Foundation For Development (Afford)) (11.5.2016) Remittances are three times greater than aid – how can they go even further? In: The Guardian https://www.theguardian.com/global-development-professionals-network/2016/may/11/remittances-three-times-greater-aid-sdgs

Table 1 Estimated savings by migrants from selected countries

Table 4.1 Estimated Savings by Migrants from Selected African Countries, 2009

Country	Emigrant stock *(millions)*	Estimated savings by migrants	
		Billions of dollars	Percent of GDP
Egypt, Arab Rep.	3.7	6.0	3.2
Morocco	3.0	9.6	10.5
Zimbabwe	1.3	1.6	34.4
Algeria	1.2	4.2	3.0
Côte d'Ivoire	1.2	0.6	2.6
Nigeria	1.0	3.5	2.0
Sudan	1.0	1.3	2.3
South Africa	0.9	3.8	1.3
Congo, Dem. Rep.	0.9	1.1	10.5
Ghana	0.8	2.0	7.5
Somalia	0.8	1.8	..
Uganda	0.8	0.6	4.0
Tunisia	0.7	2.0	5.1
Ethiopia	0.6	1.9	6.5
Senegal	0.6	0.9	7.0
Kenya	0.5	1.8	6.1
Angola	0.5	0.9	1.1
Liberia	0.4	0.6	66.8
Cameroon	0.3	0.8	3.8
Mauritius	0.1	0.6	7.2
Other	10.2	7.1	2.5
Total	30.5	52.7	3.6
Sub-Saharan Africa	21.8	30.4	3.2
North Africa	8.7	22.3	4.3

Source: Ratha and Mohapatra 2011.
Note: .. = negligible.

The previous gives ample evidence for the importance of African Diasporas outside the continent of Africa, which is why the Agenda 2063, the visionary plan of AU member states for the course of the next 50 years of development for the continent, is explicitly not only addressed to the nations of Africa, but also to Africans living abroad (African Union, 2015).

Finally and concluding two important aspects:

The potential of remittances for fighting and reducing poverty could be increased considerably when fees for remittances transferrals were lower. Especially banks, Western Union and Moneygram charge horrendous fees for their services, most importantly to African destinations. Because of that, the G9 meeting in 2009 promised already to undertake efforts to reduce those fees from an average 10% to an average of 5% of the amount transferred or lower.[18] This promise has been renewed by the G20 in 2011 and 2014 without too much having happened de facto until now. And: It is part of the Sustainable Development Goals and will be renewed by all those states accessing the Global Compact for Migration upcoming December in Morocco[19]… There are, of course, supplementing alternatives to lower costs, e.g. investing in digital infrastructure and services to render services of service provider redundant. But here, additional public or private investment must be mobilized, too.

[18] See Cecchetti, St./ Schoenholz, K. (27.3.2018) The stubbornly high costs of remittances. In VoxEu, https://voxeu.org/article/stubbornly-high-cost-remittances. And: Martin Namasaka (3 September 2018) Africa: most expensive place to send money in the world. See http://martinnamasaka.com/africa-most-expensive-place-to-send-money-in-the-world/

[19] Objective 20 of the Global Compact for Migration, (United Nations, 2018, S. 27f.)

The second important aspect is the recognition that there are also disadvantages when considering the extent and effect of remittances. For example, they increase inequality between families who have „their migrant“ in developed countries and those who have not. Or: That it is difficult that economic growth can be achieved for all that way.[20]

However: All that can be addressed and resolved if a real partnership in development is aimed for between the EU and AU at eye level.

To sum things up: The preceding should illustrate sufficiently why African countries may continue to have a greater interest in continuing migration than in a cooperation with Europe in a policy of deterrence, even if the latter comes with the promise of more developmental aid. Even more so since many young people in Africa will lack a proper job in the foreseeable future, if things do not change dramatically:

Why migration is seen as one of the few options available illustrates the following number: By 2035, 450 million young Africans will seek employment while during the same time only about 100 million jobs will be created. [21] *On that background, African governments will be most happy if their young people continue seeking employment abroad and will not create domestic problems due to unemployment. To change this, some decisive action needs to be taken:*

Our first suggestion in view of curbing illegal immigration and combat trafficking is, therefore, the creation of permanent or temporary or circular legal migration option, as the German Chancellor or French President admitted in the meantime. [22] *That way, brain drain can be turned in brain gain, money earned that way can be used to establish own businesses and contacts created may serve trade and commerce.*

The amount and importance of remittances suggests already a pro-active deliberation about better management of legal migration option. Taken all these indicators to an extreme are thoughts and arguments to the so-called “Open Border” theory. The latter suggests that its proponents want to abolish all borders and border controls – far from it. They rather suggest that one things more generously and creatively about the merits of more labour mobility, bringing it at par of the mobility of services, goods and capital. In short: Its proponents are convinced that more labour mobility will amount to the best and most effective development policy for the entire world, its effect being to double global GDP and to create global welfare gains of up to 65 trillion USD. There are precautions of not letting this spinning out of control, most importantly that giving a labour permission does not imply nationality or any claims upon social welfare programs, and certainly the Open Border facilitates something the

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[20] Further explanations to this aspect of remittances Alt 2009, S. 185ff.

[21] P. V des Africa Competitive Report 2017, see http://documents.worldbank.org/curated/en/733321493793700840/pdf/114750-2-5-2017-15-48-23-ACRfinal.pdf

[22] So, for example, at the EU-AU 2017 Summit in Abidjan or the EU Special Summit on Refugees, August 2017, in Paris, see http://www.sueddeutsche.de/politik/flucht-gipfel-in-paris-merkel-und-macron-offen-fuer-legale-migration-aus-afrika-1.3643575

present sealing off of borders prevents: Easy departure once a migration experiment fails. All these ideas are worthwhile considering not only under an economic, but also ethical point of view (Pritchett, 2009). But given the public debate as it is right now we want to constrain our argument to more isolated and pragmatic approaches in view of improving legal forms of migration:

First and most important it is essential again and again to distinguish between refugees and flight movements on the one hand, and the search to escape from an unsatisfying situation via migration on the other. In the first case, people have no alternative for fear of life, whereas "fear of life" may also have "natural causes" in the sense that climate change destroys traditional means of sustenance. In the second case, the situation in a country may be desperate because of the lack of perspective for well trained and highly motivated people or because access to media transports the message that elsewhere all dreams may come true. This, of course, is an ideal distinction. In almost all cases pressure und force behind a migration should be measured on a sliding scale which makes it so important that each person's motivation and history counts. Both flight and migratory "projects" can be organized legally or illegally, both may rely on traffickers in order to do what they have or intend to do. It is also important to bear in mind that most refugees remain either within their country (IDPs) or just cross the border into the neighbouring country, which is why still poor countries bear the brunt of misery and not those being well off. The preceding also illustrates why it is so important to have appropriate legislation serving refugees (asylum law and procedure) and migrants (immigration law and procedure) in place in order to prevent inappropriate (mis-)use.

In our view, legal migration in all its forms (permanent, temporary, circular, seasonal….) surpasses undocumented migration in importance – with growing tendency. Here we have forms of family reunion, tourism, business and trade, students, trainees, seasonal worker, Au Pairs… Accordingly, flight connection between African and European capitals are expanding: From Abidjan alone there are several A 380 of Air France to Paris, and there are more scheduled flights by CorsAir or Brussels Airlines –to name just a tiny fraction from the francophone part of Africa and Europe.

An exact statistics regarding the extent of legal migration between Africa and Europe is not easy to obtain. Even if one enters "legal migration Africa Europe" into Google, information is offered on refugees. One of the reasons behind this is that there are consolidated statistics by Eurostat for refugees, while, at the same time, big variation in legal migration options and titles exist between EU member states.

For that reason a brief look only to the extent and problematic of refugee and other (legal) migration to Germany:

When looking at the Top-10 countries of origin for refugee migration, the statistic of the Federal Agency for Refugees and Migrants offers the following for 2014-2017:

Table 2 Top 10 countries of origin for refugees/asylum seekers in Germany[23]

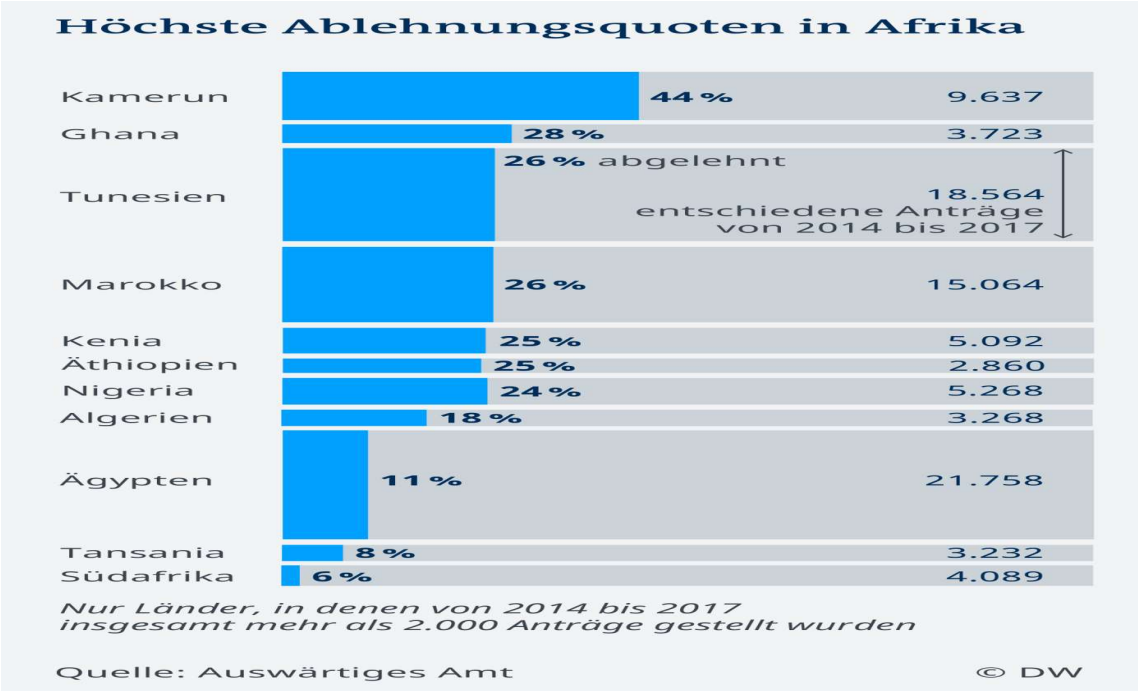
Die zehn zugangsstärksten Staatsangehörigkeiten von 2014 bis 2017 (Erstanträge)

Staatsangehörigkeit	2014		2015		2016		2017	
Afghanistan	4	9.115	4	31.382	2	127.012	3	16.423
Albanien	5	7.865	2	53.805	6	14.853		
Bosnien u. Herzegowina	7	5.705						
Eritrea	3	13.198	8	10.876	5	18.854	4	10.226
Irak	10	5.345	5	29.784	3	96.116	2	21.930
Iran, Islam. Republik					4	26.426	5	8.608
Kosovo	6	6.908	3	33.427				
Mazedonien	8	5.614	9	9.083				
Nigeria					9	12.709	7	7.811
Pakistan			10	8.199	8	14.484		
Russische Föderation					10	10.985	9	4.884
Serbien	2	17.172	6	16.700				
Somalia	9	5.528					8	6.836
Syrien, Arab. Republik	1	39.332	1	158.657	1	266.250	1	48.974
Türkei							6	8.027
Ungeklärt			7	11.721	7	14.659	10	4.067
Summe Top-Ten		**115.782**		**363.634**		**602.348**		**137.786**
Asylerstanträge insgesamt		173.072		441.899		722.370		198.317
Prozent-Anteil *		66,9%		82,3%		83,4%		69,5%

* Top-Ten-Staatsangehörigkeiten in Relation zu allen Asylerstanträgen
Die Rangziffer ist den absoluten Zahlen jeweils vorangestellt.

When looking at visum applications, the precondition for legal entry, the result is as follows:

Graphic 7 Rejection and acceptance of visa applications from African countries[24]



[23] Bundesamt für Migration und Flüchtlinge, Flyer vom 30.1.2018, See http://www.bamf.de/SharedDocs/Anlagen/DE/Publikationen/Flyer/flyer-schluesselzahlen-asyl-2017.html?nn=1694460

[24] DW Analyse (7.6.2018) Schlechtere Visa-Chancen für Afrika. In: Deutsche Welle https://www.dw.com/de/schlechtere-visa-chancen-f%C3%BCr-afrikaner/a-44099117

What do those statistics tell us:

First, that only two African countries are among the top-refugee countries of origin: Eritrea, which is known for its authoritarian government and problematic human rights situation and Somalia, which is commonly accepted to be a "fragile" or even "failed state". For citizens living in those two countries, obtaining legal documents and a visa is quite illusionary.

Second, there is only one state on both lists: Nigeria, due to its size and the diversity of social and humanitarian conditions in respective areas of this country.

A third information is that the study conducted by the Deutsche Welle comes to the conclusion that Africa is the world region where most applications for a German visa are rejected: 22% of all African applications are rejected as compared to Asias 10% or Latin Americas 5%. And this, even though most applicants for a visa, as is obvious from Graphic Nr. 7, come from states of relative prosperity and stability.

From this follows:

Given the accepted and even on part of politicians admitted importance of legal migration options for legitimizing efforts to combat and curb undocumented migration, there is a need to develop and offer more legal migration option, e.g. by revising existing visa polices or immigration laws parallel and complementing asylum legislation. In addition one should consider options to regularize the status of undocumented migrants living in EU member states for a long time, having integrated themselves and earning their own living. Finally, incentives for voluntary return should be improved, replacing the disproportionately expensive and, at the same time, little effective, "deportation industry".[25]

If this is done, Brain Drain can be diminished and changed into Brain Gain. Then savings for investment could be advanced, established links via professional training could be transformed into relations of business, commerce and trade.

Next: The creation of jobs is, of course, a matter of intelligent and generous Foreign Direct Investment (FDI). Again for the EU-AU 2017 Summit in Abidjan, the amount of FDI from EU countries in African states was said to be 37.5 billion USD, which is two thirds of FDI spent in all of Africa put together. [26]

Here we argue that even this investment comes at a price: Given the size and power of Transnational Corporations (TNCs) we observe that they often pressurize African governments into tax concessions before considering investment in the first place. That way countries lose the revenue needed to finance development. For example, Kenya misses on average annually the

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[25] See Objective 5 des Global Compact for Migration or the Special Summit on Refugees in Paris 2017, e.g. Kirchner, Th. (29.8.2017) Merkel und Macron wollen Registrierzentren für Asylbewerber in Afrika. In: Süddeutsche Zeitung http://www.sueddeutsche.de/politik/flucht-gipfel-in-paris-merkel-und-macron-offen-fuer-legale-migration-aus-afrika-1.3643575. On the entire package of multilevel policies see Alt 2009, S. 230ff.

[26] 32 Billion Euro in 2016, See http://www.consilium.europa.eu/de/meetings/international-summit/2017/11/29-30/

collection of 1 billion USD tax. Equally, we observe that more often than not foreign investment does not respect local social and labour laws as well as environmental standards. Wages paid are low, working conditions are tough and the environment and local communities all too often carry a heavy burden because TNCs are all too happy to ignore and neglect "externalized costs" such as pollution. Damage to the Common Good afflicted that way cannot be amended by voluntary gifts of Corporate Social Responsibility (CSR), e.g. a school here, a street there. To us, adequate tax payment is the prime Corporate Social Responsibility for any Corporate Citizen!

Therefore we suggest that the present arrangements be replaced by a system of Corporate Social Accountability, namely more transparency regarding where TNCs produce at what costs or where they pay how much tax. TNCs must be equally accountable to shareholders and stakeholders, i.e. communities where they invest and produce. Whatever TNCs do should therefore be done in line with or mainstreamed local development plans. Here the EUs initiative to non-financial reporting duties or its guidelines on sustainable financing point into the right direction. But more than anything we need more transparency, audits and control as well as heavy fines for non-compliance to make corporations accountable not only towards their owner and shareholder, but equally towards the communities where they have establishments.

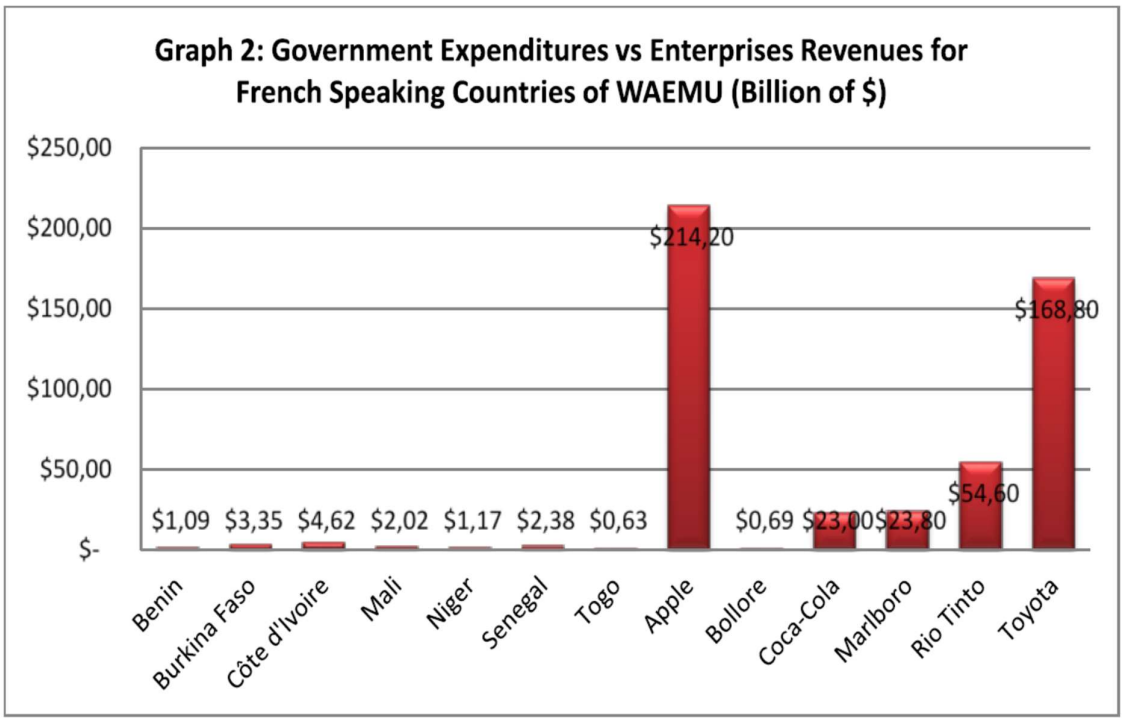
When reading the amount of 37.5 billion USD for FDI, one should be aware that this amount, too, is beneath migrant remittances. An aspect of importance is further that FDI normally goes to states which are already well off and it seems to be the tendency of some concepts of developmental aid to even advance this further.[27] That way, the gap between poor and well-to-do states will grow and some are in danger of being left behind permanently, prompting more young people into migratory adventures.

But what else do we need to keep in mind when looking at Foreign Direct Investment, most importantly, how much FDI is directed towards the benefit of the country where it is invested or whether TNCs do not, more or less cleverly disguised, pursue own interests?

Quite often, Transnational Corporations "negotiate" with governments tax obligations before they consider investment, and if one looks at the size between the profits of TNCs on the one hand, and state budgets of West African states on the other, it is easy to guess that TNCs will receive all concessions they ask for.

[27] See, for example, our criticism aimed at the German Marshall Plan with Africa https://www.taxjustice-and-poverty.org/advocacy/joint-advocacy.html

Graphic 8African states and TNCs in comparison



Source: World Bank World Development Indicators & Forbes 2016, Graphe: Kabore (2017)

Source 2 (Kaboré, 2018, S. 17)

Similar problems exist in East Africa. The Kenyan example quoted in the letter, namely that Kenya renounces annually 1.1 billion USD in tax revenue due to tax concession, exists without any protest since 2012. This amounts to one tenths of overall Kenyan revenue or an equivalent of 3.5% GDP. In this context, even the Kenyan Revenue Authority admits:

> Studies have shown that Kenya foregoes about Kshs. 100 billion annually in tax expenditures, primarily as a result of tax exemptions and investment incentives. Currently, tax expenditures in Kenya stand at 3.5% of GDP compared to an estimated 1.4% in Mauritius. Reducing tax expenditure to Mauritian levels will realise additional revenues of at least Kshs 75.2 billion per annum. To achieve this, KRA will review and propose appropriate tax policy amendments as the Income Tax Act is reviewed. (Kenya Revenue Authority, 2015, p. 50).

Various promises of the Kenyan government to cut on those policies have not yet been implemented to our knowledge.

Next one observes in the context of FDI that those investors do not pay a lot of attention to local labour laws and working conditions and that they are equally "generous" when it comes to observing laws designed for the protection of the environment or locally residing popula-

tions. The Tax Justice & Poverty study noted in Kenya problems when looking to Export Processing Zones,[28] in Zambia when looking at mines and natural resource exploitation.[29]

Such failure to observe national legislation and obligation is impossible to compensate via acts of Corporate Social Responsibility (CSR):

The construction of some roads, hospitals and schools is no adequate compensation of damage afflicted before, CSR further privileges local populations as opposed to those living further away (whereas taxation are dispensed more democratically for the good of all), and we observe that acts of CSR more often than not aim for the PR at home rather than the benefit of local populations.

Our conversation and contact partner increasingly awake to the fact that "dialogue" between TNCs and local populations are misused to delay or even forget about necessary structural reforms by pointing to the fact than "one is in dialogue" with those afflicted, local churches included. Those on the ground increasingly want to refuse such "churchwashing", an expression deriving from the more commonly known "greenwashing". Accordingly, we are increasingly skeptical towards the practice of CSR (Chilufya, 2015).

On our part, therefore, we advocate to move from Corporate Social Responsibility towards Corporate Social Accountability, meaning that TNCs are no longer exclusively accountable to their own "shareholder", but rather towards all "stakeholder" those included on the spot where production takes place.[30]

Corporate Social Accountability includes transparency in corporate accounting (e.g. What is produced where? How many people are employed? How much tax is being paid?...), it also calls for mandatory steps regarding the inclusion of non-financial aspects when planning and doing investment. To specify the latter: "externalizing" environmental costs should no longer be possible, that way leaving it to local communities or local taxpayers to either cope with the situation or finance the cleanup. Rather, such externalities should be included into investment calculation and production, thus also impacting upon the final sales price of the product.

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[28] Since the Kenyan Country Report of the Tax Justice & Poverty research is not yet published, here an older study from 2008 by the International Federation for Human Rights and SOMO titled Economic Development or Human Rights? See https://www.fidh.org/IMG/pdf/ke506en.pdf, vor allem ab S. 14ff.

[29] The situation in Zambia became globally known by the court proceedings initiated 2017 by Zambian villagers against the owner of the Konkula Copper Mines, Vedanta, in London, because the mine polluted their drinking water. The lawsuit was successful, the complaint of Vedanta against the verdict not, see McKay, D. (13.10.2017) Vedanta to fight on after losing appeal over Zambia pollution claim http://www.miningmx.com/news/base-metals/30690-vedanta-fight-losing-appeal-zambia-pollution-claim/ See also reports about the World Bank granting Zambia 100 million USD for programs designed to clean up pollution and waste in mining regions, e.g. Reuters (20.12.2016) World Bank lends Zambia $100m to tackle mining pollution. In: Mining Weekly http://www.miningweekly.com/article/world-bank-lends-zambia-100m-to-tackle-mining-pollution-2016-12-20

[30] The concept explained by (Kaboré, 2018) und (Owoeye, 2015).

Here we find that there are already commendable initiatives at EU level such as the non-financial reporting initiative,[31] the EU initiative towards sustainable finance,[32] initiatives aiming for public Country by Country Reporting and/or the Common Consolidated Corporate Tax Base[33] etc. Those avenues are worth following along.

In drawing those legislation, however, governments should take care (a) to avoid exemptions from those obligations, (b) provide for implementation and compliance and (c) include hefty fines, hefty enough to signal even large TNCs that they better not risk non-compliance.

Corporate Social Accountability of foreign investors, as detailed here, is not part of the Global Compact for Migration. It is implied, however, in its Objective 2b where it contains the pledge to

> invest in programmes that accelerate States' fulfilment of the Sustainable Development Goals with the aim of eliminating the adverse drivers and structural factors that compel people to leave their country of origin, including through poverty eradication, food security, health and sanitation, education, inclusive economic growth, infrastructure, urban and rural development, employment creation, decent work, gender equality and empowerment of women and girls, resilience and disaster risk reduction, climate change mitigation and adaptation, addressing the socioeconomic effects of all forms of violence, non- discrimination, rule of law and good governance, access to justice and protection of human rights, as well as creating and maintaining peaceful and inclusive societies with effective, accountable and transparent institutions ...
>
> invest in sustainable development at local and national levels in all regions allowing all people to improve their lives and meet their aspirations, by fostering sustained, inclusive and sustainable economic growth, including through private and foreign direct investment and trade preferences, to create conducive conditions that allow communities and individuals to take advantage of opportunities in their own countries and drive sustainable development (Nr. 18)

Last and most important: It is the firm conviction of all those contributing to this paper and cooperating in the research „Tax Justice & Poverty" that the prime obligation of any „corporate citizen" towards the community is to pay its fair share of taxes in accordance to the Principle of Ability to Pay, in the same way as "natural citizens" or dependently employed are obliged to do so. (Eichinger, 2016a).

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[31] See Bundesministerium für Arbeit und Soziales (ohne Datum) http://www.csr-in-deutschland.de/DE/Politik/CSR-national/Aktivitaeten-der-Bundesregierung/CSR-Berichtspflichten/richtlinie-zur-berichterstattung.html

[32] Results of the High Level Working Group as well as the Action Plan of the EU Commission see their website "Sustainable Finance" https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en

[33] See the EU Commissions Website regarding public Country by Country reporting at https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/public-country-country-reporting_en and on the Common Consolidated Corporate Tax Base https://ec.europa.eu/taxation_customs/business/company-tax/common-consolidated-corporate-tax-base-ccctb_en

This leads us to our most important point: Taxation and the problem of Illicit Financial Flows which comprise money put aside via aggressive tax avoidance, tax evasion or tax fraud. Here there is growing agreement from the 2015 publication of the High Level Panel on Illicit Financial Flows that there is more money leaving Africa annually than there is money entering Africa combined via FDI and ODA.

The following arises mostly from the results of our three-country research cooperation (Germany, Kenya and Zambia) on the links between Tax Justice & Poverty.[34]

The issue of illicit or illegal capital outflows is increasingly attracting attention under the concept of "Illicit Financial Flows". This is, admittedly, a problematic concept since it lumps together a number of phenomena of different importance, origin and background which so far and traditionally have been dealt with separately (e.g. Money laundering, tax evasion or gains from bribery and corruption etc.pp.). An additional problem is that any quantification of those flows is difficult since they are, by definition, clandestinely. At the same time there seems to be a an emerging consensus around some methods of calculation and assessment which find increasing acceptance and quotation, e.g. on part of the African Progress Panel in its Africa Progress Report, the United Nations Economic Commission for Africa's High Level Panel on Illicit Financial Flows (High Level Panel, 2015a), the Africa Development Bank, OECD or the NGO Global Financial Integrity.[35]

While the High Level Panel in its analysis comes to the conclusion that IFFs deprive African States annually of revenue amounting to 50 billion USD, a number, which is also sustained by a publication of the African Development Bank and the OECD in its 2018 published study into IFFs in West Africa,[36] GFI in one of its seminal publications concludes the following:

> Illicit financial outflows exceeded combined official development assistance (ODA)[37] and inward foreign direct investment (FDI)[38] in all developing countries for all but three years of the 2004-2013 time period. Against the many resources these countries might accumulate through ODA and FDI, unrecorded, illicit outflows are even more significant (see Chart 10). (Kar & Spanjers, 2015, p. 14f.).

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[34] See (Alt, 2018e) as well as www.taxjustice-and-poverty.org

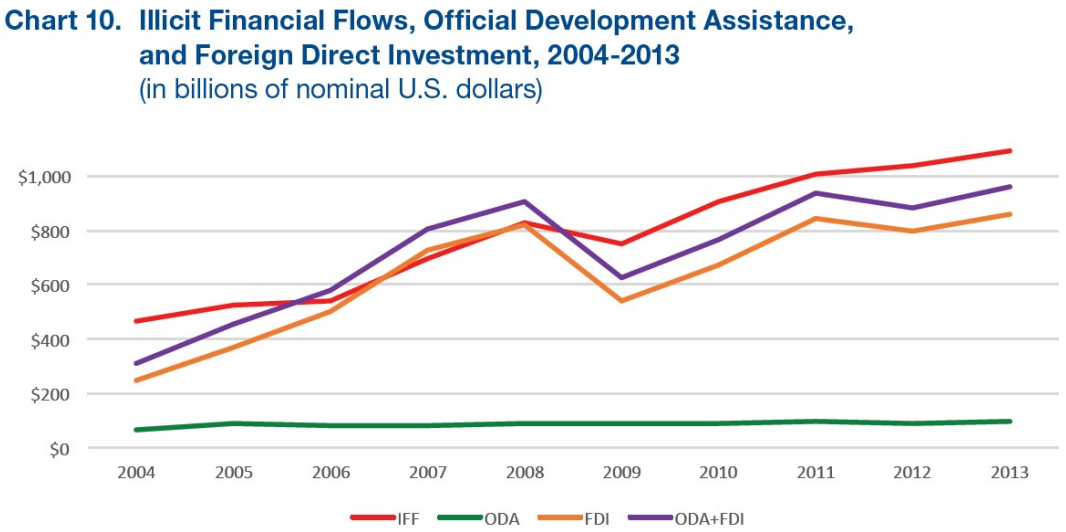
[35] An extensive discussion of the problematic regarding the definition, concepts and measurement is contained in chapter 6 of (Alt & al., 2016b). Especially GFI is increasingly quoted by a variety of stakeholder which lets us conclude the growing acceptance of its methods, most importantly the Hot Money Narrow and Gross Excluding Reversal Method.

[36] See Website of launching the OECD Report: Illicit Financial Flows: The Economy of Illicit Trade in West Africa, 20.2.2018, https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Launch_of_the_OECD_Report_on_-_Illicit_Financial_Flows-_The_Economy_of_Illicit_Trade_in_West_Africa.pdf

[37] As measured by OECD.

[38] As listed in the IMF Balance of Payment Statistic.

Graphic 9 Development of ODA, FDI and IFF flows



Even bearing in mind statistical uncertainties we can state safely that regarding developing countries in general and African countries in particular: If one looks at IFFs, there is plenty of good evidence that more money leaving Africa every year than is entering both in ODA and FDI – yet another warning towards all those believing that an increase in ODA will be an easy trick to compel African countries into cooperation!

But there is a follow-up question linked to the IFF outflow: Where does this money end up eventually?

Further analysis suggests that IFF outflow damage developing countries and profits developed countries. Having left poor countries, financial flows arrive at tax havens, where both origin and "beneficial ownership" is disguised via shell companies, trusts and foundations, before those "entities" transfer the money onwards into developed countries where it is then profitably invested, e.g. in real estate which causes prices for rent to soar for the ordinary citizen living locally. Some figures illustrating the situation arising from our research are the following:[39]

Table 3 Annual-average Illicit Financial In- and Outflows regarding Germany, Kenya and Zambia

Illicit inflows to Germany, money laundering only	Illicit outflows from Kenya	Illicit outflows from Zambia

[39] See (Alt, 2018e, S. 13f.) and (Alt & al., 2016b). While IFFs **leaving** from Africa are increasingly examined, there is little data for IFFs **entering** developed countries for the purpose of investment. This has to do with the fact that in many cases the beneficial ownership behind investment coming from tax havens and entering, for example, into „Share Companies", is unknown and untraceable, One of the few studies attempting a glimpse behind the veil is (Christian Aid; Tax Justice Network, 2014), looking at financial flows from the tax haven of Jersey into the City of London. Another publication worth mentioning in this context is (Griffiths, 2014).

Ca. 50-100 billion Euro	Ca. 83 million USD	Ca. 2.9 billion USD

Contrary to the appearance one needs to emphasize that, in the end, both developing and developed, poor and rich countries alike suffer under IFFs, especially tax dodging and criminal financial flows.

Again a simple question helps in understanding both the seeming contradiction and, at the same time, the situation: Who is profiting from the situation?

Certainly not the common citizens whose infrastructure crumbles or for whom there are cuts in public services because of the lack of tax revenue. The situation benefits the world's top private, corporate and criminal wealth holder and its advisors, i.e. those, who have already plenty and, by misusing the system provided by the financial architecture, tax havens included, in their own favour with the goal to increase their wealth.

While this is by now more or less accepted for developing countries, here some indicators what losses are there for wealthy countries, in this case Germany:

- In 2016, the Deutsche Steuergewerkschaft (Tax Administration Employee Union) puts the annual losses in not-paid taxes arising from the shadow economy and tax evasion at 75 billion Euro.[40]
- In 2015 the European Commission sets the loss from non-paid VAT for Germany at 24.8 billion Euro.[41]
- Most current are calculations of Gabriel Zucman and two teams of researcher who make use of both data arising from data leaks and (Nordic) tax administrations. From their findings they deduct for Germany:
  - ✓ Private wealth holder are hiding assets amounting to the equivalent of 16% GDP in Tax havens, that way avoiding taxation (Alstadsaeter, Johannesen, & Zucman, 2017b)
  - ✓ Corporate wealth holder shift annually 55 billion USD profits into tax havens, that way avoiding taxation (Thorslov, Wier, & Zucman, 2018).

Saying that, it is obvious that the **absolute** damage and losses are higher for developed countries. At the same time one has to consider the **relative** proportion and importance, once more most importantly losses in relation to the national GDP.

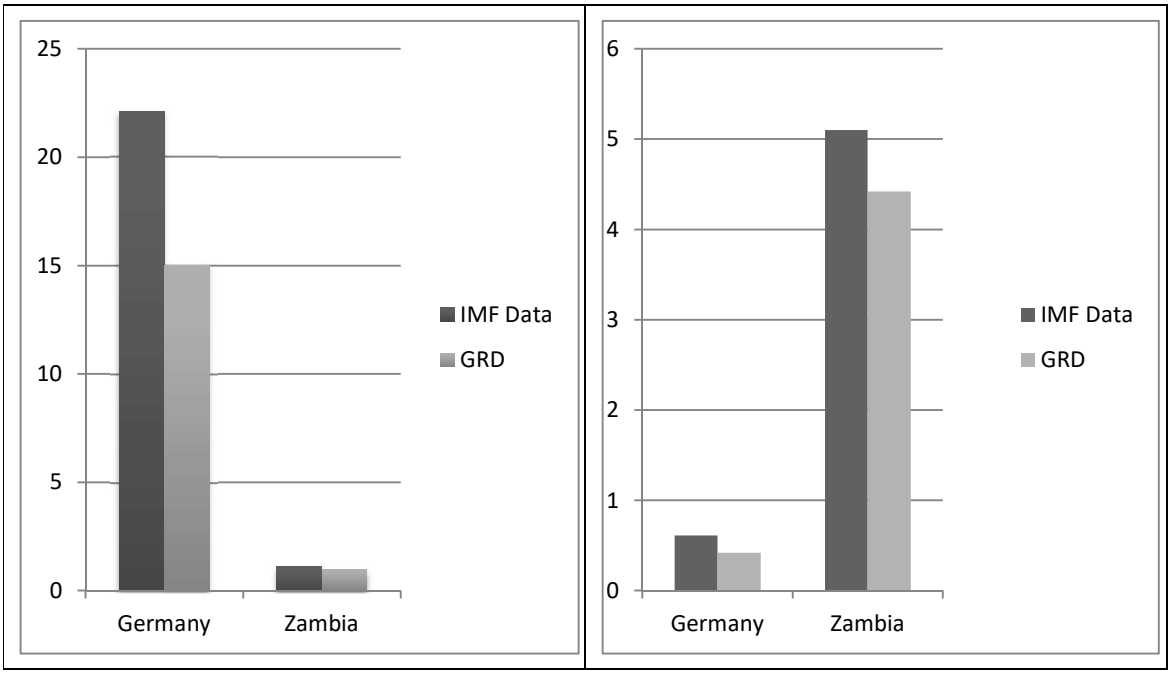
The following graphic illustrates this by using the example of aggressive tax avoidance via the so-called Base Erosion and Profit Shifting:

Graphic 10 Damage by aggressive tax avoidance: Left the absolute amount (billion USD), right in percentage of GDP[42]

[40] Retrieved information on 15 August 2016 from http://www.dstg.de/ueberuns.html

[41] 'The VAT Gap is an indicator of the effectiveness of VAT enforcement and compliance measures, as it provides an estimate of revenue loss due to fraud and evasion, tax avoidance, bankruptcies, financial insolvencies as well as miscalculations.' (Eurodad, 2015a, p. 7+25)

[42] Data of the International Monetary Fund and the Government Resource Database by the International Centre for Tax and Development



Ever since data leaks such as Luxembourg Leaks, Swiss Leaks, Panama Papers or Paradise Papers it is increasingly that we are talking about a huge amount of hidden assets which are of little use for advancing the Common Good. To make things even more unfair, the situation shifts the tax burden from the rich to low and middle income households and from TNCs to small and medium enterprises etc.. The same applies to the burden arising from mandatory social security contributions.

Therefore, the Tax Justice & Poverty research adopts the view that developed and developing countries should have a joint interest in joining forces when aiming to improve the Common Good of all rather than the interests of the few.

This is, admittedly, not easy, because those profiting from the present system and their advisors try their best to prevent exactly such a cooperation from happening:

By still suggesting that the „competition of locations" implies "tax competition" and that, if states offend against this mantra, it would cost investment and jobs they hold governments successful hostage, preventing them to do what they were otherwise able to do. At the same time, it is increasingly known, e.g. via the annual Global Competitiveness Report[43] that tax rates are much less important for investment decisions than infrastructure, healthy institution, social peace and stability and educated work-force, i.e. all things which are being paid by tax revenue. This implies that, if private, corporate and criminal wealth holder do not contribute in accordance to their ability to pay, they themselves endanger standards and norms which so far help them creating and securing their wealth and profit.

[43] Regularly published at https://www.weforum.org/

If, therefore, there is any serious commitment of EU states to combat the outflow of migrants from African states via the combating of migration root causes, EU states should be more serious in combating Illicit Financial Outflows from Africa.

To do this successfully requires the following as a matter of priority and without being comprehensive:

- *More transparency in cross-border financial flows for tax administrations and police forces, as it is in theory provided by the OECDs framework for the Automatic Exchange of Information. Here, however, we need to abandon the principle of reciprocity for developing countries: African governments are not yet in a situation to provide adequate information in return since money recovered in the process would enable governments to strengthen their institutions in the first place.*
- *Transparency would also discourage financial transfers by corrupt African leader, civil servants and business people. That way there is likelihood that more money stays in the respective countries and is invested there.*
- *Tax administration in developed countries should cooperate with tax administrations in Africa, e.g. in the framework of Joint Tax Audits* (Alt, Jörg; Chilufya, Charles B., 2018).
- *The training and equipment of African tax administrations should play a higher role in Developmental Aid and assisting agencies, such as the German GIZ.*

At that stage we want to emphasize that having good conventions and political declarations of intent in place is not enough: Assistance for implementation is urgently needed as well and this at times calls for concessions on part of developed countries.

For example: Regarding transparency of financial and tax data, the OECD convention to regulate the Automatic Exchange of Information (AEOI) is a good starting point. For states to participate in this cooperative framework, however, applies the principle of reciprocity: Only those states receive information about their nationals who in turn provide information to others. At the same time, the AEOI procedure is complex and requires many resources – even Germany is overburdened at that stage.[44] This applies even more to African states: A study by EU experts accepts and repeats the assessment that Sub Saharan African states would need up to 650,000 tax officials to merely reach the global average in tax administration standards (European Commission, 2015). The money needed to finance necessary training, upgrading and employment of experts could come exactly out of a cooperation with developed countries in an AEOI context, via the reception of data from private and corporate entities residing and working in the country in question.

[44] Right now, a lot of data arrives at the Federal Central Tax Office but cannot be processed due to the lack of personnel and computer software. This is also why it cannot be passed on to the state tax administration in charge. No improvement is expected before 2019. See: Verzögerungen im Kampf gegen Steuerbetrug (16.10.2017) In: 123recht.net, http://www.123recht.net/Verzoegerung-im-Kampf-gegen-Steuerbetrug-__a158472.html sowie: Austausch von Steuerdaten läuft noch nicht rund (19.11.2017) In: Focus, https://www.focus.de/politik/ausland/steuern-austausch-von-steuerdaten-laeuft-noch-nicht-rund_id_7866212.html

Besides the potential to increase revenue, the preceding points are also of importance in another area which is frequently discussed in this context: Bribery and corruption. If transparency regarding financial flows for tax administrations or even the public would exist, African autocrats or corrupt business men would think twice before shifting private assets abroad for fear of discovery. It can rather be assumed that they then consider spending and investing money within their own country.

Dear Minister Kneissl, admittedly, the Global Compact for Migration, about to be signed this December by almost all states of this world, is a non-legal and non-binding cooperative framework. But it stands in the context of other agreements, e.g. the Sustainable Development Goals or the Addis Ababa Action Agenda. Thus, the Compact spells out a number of very pragmatic proposals to indeed reduce "irregular migration", by aiming "to mitigate the adverse drivers and structural factors that hinder people from … sustainable livelihoods in their countries of origin" (Compact Nr. 11&12). Our proposals in this letter would move those commitments even closer to implementation.

Dear Minister Kneissl, when discussing issues of migration between Europe and Africa, we ask the EU presidency to take those proposals into account.

In the end, therefore, we very much support the Austrian EU presidency in their intention to intensify and deepen the partnership with the African Union and, perhaps, even convening yet another EU-AU summit to deal with these issues.[45]

Given the current policy of US president Trump and the constant display of Chinese egoism in Africa, there is plenty of opportunity to defend and deepen a multilateral partnership between the EU and AU. Saying that, we have to remind ourselves again and again that Europe and Africa are bound together not only by geographical proximity.

Hence, if Europe wishes to curb migration in a humane and lasting way there is no other alternative than mainstreaming migration into national and local development and economic-ecological cooperation plans and strategies both in Europe and Africa, that way fighting the root causes of migration and to incorporate migration into plans to fight poverty and to advance economic development and trade. More specifically

- Europe and Africa have to coordinate mechanisms for migration and development, and to design and implement policies and strategies that integrate migration and poverty reduction.
- Europe and Africa have to take a proactive approach in managing and measuring migration indicators, primarily by integrating international migration into national development plans.

[45] Österreich plant EU-Afrika Gipfel (30.6.2018). In: Die Zeit, https://www.zeit.de/politik/ausland/2018-06/fluechtlingsfrage-sebastian-kurz-eu-afrika-gipfel-oesterreich-ratsvorsitz

- Europe and Africa have to develop mid-term plans that include "migration and development" as an issue to be addressed through a multi-sectoral approach, i.e. education, professional and vocational training, assistance in opening businesses, fair trade….
- Europe and Africa have to create a platform for migrant workers on both sides, that way building a bridge between Africa's high potentials and Europe's increasing needs (demographic, shortage of worker in certain sectors…). That way, skills could be developed and better used, thus leading in turn to higher incomes with which African migrants will be better able to support their families back home. If financial, intellectual and other resources of the African Diaspora communities can be embedded in national development plans the likelihood is rising that more potential migrants trust in the development of their own country with the effect that they either stay in Africa or return after their educational, vocational or economic purpose for a temporary stay in Europe expires.

This needs to be done at eye level and level playing field, a WinWin situation for both, abandoning bent rules which up to now secure many more scores for European than African partners. It calls for a fair sharing of both burden and profits, and all that in accordance with the Principle of Common but Differentiated Responsibilities.[46]

Last not least, of course, all this needs to be embedded in the most urgent effort to reform the present neoliberal social and economic paradigm with its inherent tendency to increase social inequality and the overuse of natural resources. This calls for urgent reform of the global trade system as well as joint efforts to curb climate change or mitigate its impacts especially for those countries lacking resources to do so. If we do not act that way, we are warned by calculations according to which we have to expect around 140 million additional "climate refugees" in the foreseeable future (World Bank Group, 2018).

To avert this will cost trillions of USD[47] – but this money can be collected and it would be money wisely and well spent! In all this taxation can also play an important role (Alt, 2018f).

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[46] https://en.wikipedia.org/wiki/Common_But_Differentiated_Responsibilities

[47] "Findings from Bloomberg New Energy Finance and Ceres, a Boston-based coalition of investors and environmentalists, show that wind parks, solar farms and other alternatives to fossil fuels are already on course to get $6.9 trillion over the next 25 years through private investment spurred on by government support mechanisms. Another $5.2 trillion is needed to reach the United Nations goal of holding warming to 2 degrees Celsius (3.6 degrees Fahrenheit) set out in the climate agreement…. While the figures are large, they're not as eye-watering as the International Energy Agency's projection that it'll cost $13.5 trillion between now and 2030 for countries to implement their Paris pledges, and that an extra $3 billion on top of that will help meet the temperature target. Those figures aren't just limited to renewables: they also include energy efficiency measures." Morales, A. (29.1.2016) Paris Climate Deal Seen Costing $12.1 Trillion Over 25 Years. In: Bloomberg https://www.bloomberg.com/news/articles/2016-01-29/paris-climate-deal-seen-costing-12-1-trillion-over-25-years. See also (WBGU, 2011).

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