



# HISTORY & POLICY

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## **If tax avoidance is as old as tax itself, why are tax havens a modern phenomenon?**

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In a new History & Policy paper, [The History of Tax Havens](#), Professor Ronen Palan of the University of Birmingham, explores the development of tax havens since the late nineteenth century. He argues they are a distinctly modern phenomenon, which some states have pursued as a distinct development strategy in the decades since the First World War.

Professor Palan demonstrates how tax havens evolved in the context of a robust international system of statehood and, as they are aimed exclusively at an international clientele, could only exist within an integrated world market. The intricate relationships between states and investors – not to mention lack of transparency or consistency – has led to a complex landscape and, in the current global financial crisis, they have been subject to a great deal of criticism.

Professor Palan said:

“The challenge today, when pressure is being placed on governments to reduce tax evasion, is how best to regulate and manage the landscape when the international economy stands in a fragile balance. Several of the most important tax havens are dependencies of the UK and it is the responsibility of the British government to regulate them, ensuring they tax both local and international investors at the same levels.

“There is an urgent need for greater transparency. Only when it is possible to trace assets clearly from bank to owner, will the secrecy surrounding tax havens dissipate and public confidence return.”

Notes to editors:

1. Professor Palan's History & Policy paper, The history of tax havens, is published today and is available at [www.historyandpolicy.org](http://www.historyandpolicy.org).
2. Ronen Palan is Professor of International Political Economy at the department of Political Science and International Studies, University of Birmingham. He was co-founder and co-editor of the [Review of International Political Economy](#) (RIPE).
3. [History & Policy](#) is an independent initiative working for better public policy through an understanding of history. The initiative was founded by historians at the Universities of Cambridge and London and is based in the [Centre for Contemporary British History](#), at the [Institute of Historical Research](#), University of London. History & Policy's current work is funded with charitable grants from [Arcadia](#) and [The Esmée Fairbairn Foundation](#).
4. To keep up to date with the latest History & Policy news, you can [sign up](#) for our monthly newsletter online or [follow us on Twitter](#).
5. History & Policy has a network of over 200 historians willing to engage with policymakers and media. To request an interview with Professor Palen or another historian, please contact:

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