
4. On Responsibility and Tax Policy: an exploration based on Ireland and Malawi

Sheila Killian

Introduction

The theme of the 2015 Social Justice Ireland conference, “Measuring Up? Ireland’s progress: past, present and future,” questions both the concept of progress and metrics of its measurement. This paper explores these issues in the context of policy coherence, framing the need to assess inter-related fiscal issues together as one of responsibility in policy formation. Specifically, it looks at the potential impact of a country’s tax policies on the welfare of people in other countries, and the way in which tax policy may come into conflict with other stated policies of the state. Malawi is chosen because it illustrates the kind of fiscal fragility faced by developing countries, and because it is a priority country for Irish Aid, and one in which Irish overseas Aid has achieved considerable positive impact. Ireland as a country has engaged very successfully in tax competition, potentially leading to a situation where its tax policies could become incoherent with its policies on overseas development aid (ODA). The way in which those tax policies have developed is examined in some detail in the context of the literature on policy incoherence.

Malawi is worthy of examination because of the interaction of its debt and tax policies, creating a complex and potentially devastating fiscal burden. The ways in which tax policy is influenced by international actors and in response to tax competition do not help the cause of the Malawian people. Ireland is an interesting jurisdiction with which to explore these issues for two reasons. Firstly, it has been exceptionally consistent about its corporate tax policy, with a clear single-minded tax focus on attracting foreign direct investment. Secondly, it has an equally strong and clearly-stated commitment to overseas development aid.

The paper is laid out as follows. First policy coherence is discussed, offering definitions and theories as to how it comes about. The next section outlines the fiscal fragility of Malawi, and highlights the importance of its own domestic tax system in addressing the problems faced by its population. Next, the evolution of Ireland's corporate tax system is recounted, and the way in which its use by multinational firms could lead to a form of policy incoherence is described. The final section draws tentative conclusions on the hazards of measuring progress in taxation and other fiscal policies in a non-integrated way.

Policy Coherence

Policy coherence may be defined, following Blouin (2007:169), by using the OECD definition of policy coherence, which is 'a process through which governments make efforts to design policies that take account of the interests of other policy communities, minimize conflicts, maximize synergies and avoid unintended incoherence. ' Less ambitiously, it could be simply characterized as the absence of crossed lines, those accidental ways in which policies in different areas, such as health and development, or tax and welfare contradict each other or render each other less effective. Even this basic 'absence of incoherence' can be difficult to achieve, and requires active policy management. However, such active management is a reasonable expectation; this is in a way the essence of governance, and the goal of minimizing policy incoherence serves efficiency in government, and effectiveness in delivery of the social contract.

Beyond this, in the case of policies around overseas development aid, Ashoff (2005) observes that the case for policy coherence derives further legitimacy from a range of international structures and treaties including commitments made under the UN Millennium Development Goals, the Maastricht and Amsterdam treaties, various OECD frameworks, etc. More fundamentally, there is also a pressing moral obligation to avoid creating negative externalities in the Global South, which frequently arise as a consequence of economic policies designed without regard for how they might conflict with development issues elsewhere.

Given the overriding case for policy coherence, the question arises as to what causes the lines to cross, and policies to become mutually ineffective or to work against each other to some degree? Blouin (2007) notes that

policies are especially vulnerable to incoherence when a small, cohesive group of actors have the potential to share large benefits at the expense of a more marginal advantage that might otherwise accrue to a larger, more diffuse group of minority stakeholders. The tighter, better-organised group is in a better position to influence policy than a diffuse and less immediately interested population. This is essentially a version of *cui bono*, the principle that the probable cause of an event can be detected by establishing who has gained. In cases where persistent or systematic policy incoherence arises, this principle calls into question the commitment of the government or governments to supporting the disadvantaged policies which may favour or protect more marginalized constituencies, and raises the possibility of a more powerful grouping dominating the national agenda. Despite its technical nature, there is no reason to assume that tax policy should be any less political than other national policies. There is also an element of chaos in how tax policies are implemented: the interaction of a complex and ever-changing set of variables which overlap in unexpected ways. As noted by Bird (2013): ‘... tax policy is shaped not only by ideas but also by vested interests, changing economic conditions, administrative constraints and technological possibilities, and, especially, by the nature and functioning of the political institutions within which these factors affect policy decisions’ Bird (2013:9).

While considerable work has been done on the internal consistency and coherence of policies of tax and welfare on a national level, or of aid and trade internationally, far less attention has been paid to date to the impact of tax policies on the welfare of the population of other countries. Perhaps this is because, on one level, the ability to set tax policy is a cornerstone of nationhood, making tax the most domestically-focused and sovereign of fields. On the other hand, the power of multinational firms to create arbitrage opportunities by exploiting mismatches between the domestic tax systems of countries has been well documented recently, and the international impact of global tax evasion and avoidance is being addressed by bodies such as the UN, EC and OECD. Arguably, multinational firms are in a position of such power that they can exploit policy mismatches between countries, creating a form of inadvertent incoherence. So, for example, countries may seek to cooperate in issues of overseas development aid, and at the same time their rules on international corporate tax may interact in a way which can undermine the efforts at development.

The case of Malawi

Malawi faces a perfect storm of fiscal vulnerabilities in the form of a restricted tax base, high inflation, poor banking infrastructure, aid dependence, volatility in inward investment and exchange rates and a rising burden of external debt that threatens to stymie any efforts at recovery, with a devastating impact on the welfare of the population. This impacts on all areas of life. For example, O'Neil et al (2013) describe the education system as marked by 'low rates of school completion, deteriorating exam results, nationwide stock-outs of key medicines and persistently high rates of maternal mortality.' This is supported by reports from the World Bank, cited in Killian (2014) which show that less than 70% of children in the poverty have any formal education at all, while a slim minority in this category achieve even basic educational outcomes. Education matters, as a key to breaking the cycle of poverty and subsistence agriculture. This is particularly problematic given the sharp differences in poverty levels in urban and rural areas, and the food insecurity noted by Blackie et al (2006). This cycle of poverty is also maintained by the lack of investment by successive governments in basic infrastructure. For example, as noted by Killian (2014), "Lack of investment in irrigation despite the presence of Lake Malawi continues to make for a high level of seasonality in land use, increasing the vulnerability among poor, land-dependent families to drought. It also restricts the ability of poor farmers to invest in livestock or diversify production away from maize. Transport and financial infrastructures are also severely limited, which exacerbates the rural-urban divide and curtails the ability of those earning a wage to save, invest or insure themselves against risk. It also adds to the risk of HIV/Aids, for example, making education, prevention, counselling and treatment more challenging."

This paucity of internal investment is combined with aid-dependence and capital flight, leading to a highly unstable currency. Ndikumana and Boyce (2010) estimate capital flight from the broader sub-Saharan region over the 24 years to 2004 at USD 443 billion. Significantly in the context of the tax system, they estimate that in the case of Malawi, more than 90% of this was operationalized through trade mis-invoicing and other transfer pricing methods. This kind of capital flight not only bleeds the country of what could have been a resource for infrastructural development, but also adds to currency volatility, exacerbating the impact of aid dependency, and reliance on a few key exported commodities.

The most obvious solution to the country's need for stable, locally-denominated revenue would be a well-functioning domestic tax system to generate funds to address the population's needs. The country faces many of the challenges common to developing countries, including a taxing authority with limited capacity and a reliance on consumption taxes which is arguably inappropriate for a population that is both poor and largely unbanked. In fact, over the forty year period to 2010, consumption taxes accounted for 60% of total tax collected (Chiumia and Simwaka, 2012). With a massive informal economy of subsistence micro-enterprises, heavy consumption taxes act as a disincentive to declare income, and enter the formal financial system. This idea is supported in the case of Malawi by studies such as Chipeta (2002). As well as incurring the market disadvantage of collecting and charging consumption taxes, traders who comply with the tax system are forced into what is a bureaucratic and challenging tax system (Aiko and Logan, 2014; Magalasi, 2009). This motivation to remain outside of the tax system and free-ride on the collection of taxes is problematic to the task of building a social contract with the wider population through taxes. Mussa (2014) looks at the social justice aspects of the consumption tax, analysing the spending of Malawian households in different income categories, and concludes with a recommendation to expand the range of goods which are zero-rated for consumption taxes in order to reduce grinding poverty. However, given moves against trade tariffs which would be more easily collected at border points by even a tax authority with limited capability, the reliance on regressive consumption taxes looks set to continue.

Business taxation is erratic in its tax take, and is not uniformly applied since multinational firms can negotiate individualised tax incentives in an opaque way which discriminates against local businesses (Nakagawa, et al., 2009; Nsiku, 2013). Not only do these incentives reduce the potential tax take from business, but they also detract from the transparency of the system, and so deter compliance among the wider population. Questions have also been raised on the effectiveness of the incentives, and on their usefulness in creating wider value beyond the non-resident shareholders of the multinational firm (Nsiku and Kiratu, 2009; Nsiku, 2013).

Overall, as noted by Killian (2014), "the tax system in Malawi is characterised by opacity, bureaucracy, low tax morale, a high level of tax foregone through investment incentives whose value has not been established, a rising burden on individuals through consumption taxes and income tax, non-transparent

negotiations between individual mining firms and the government, and an overall unsustainability, with expenditure consistently overshooting tax revenue, reinforcing the dependence of the country on overseas aid.” This is sadly representative of a wide range of countries in the region. Anything that impairs the functioning of the domestic tax system of such a jurisdiction, or limits its ability to raise revenue from international business, has a potentially devastating effect on its population.

Ireland’s tax history

Ireland’s tax history has taken a very different path, having been, since the mid-1950s, steered towards the attraction of foreign direct investment (Killian, 2013). Since the introduction in Ireland of Corporation Tax in 1976, special reduced rates applied to exporters and manufacturing firms, which at the time were overwhelmingly foreign-owned. Export Sales Relief (ESR) which applied a tax rate of 0% to the profits on goods made in Ireland and exported from the country expired in 1990, and was widely availed of by multinationals locating manufacturing and exporting subsidiaries in Ireland. Parliamentary records show that the cost of tax foregone to Ireland from profits on exported goods came to approximately £337 million per year in the late 1980s (Oireachtas 1988), but the strategy was successful in making Ireland an attractive location for foreign direct investment. At this time, the zero rate also applied to a designated zone around Shannon Airport in the South West, provided the companies located there were licensed by the government to avail of what was known as ‘Shannon Relief’. When ESR expired, it was succeeded by Manufacturing Relief, which reduced the tax on profits from the sale of manufactured goods to 10%, a fraction of the rate applying at the time to non-manufactured goods. Because of the liberal court interpretation of the meaning of ‘manufactured’, the latter relief applied to a wide range of processes including, famously, the artificial ripening of fruit, the grading of coal and the inclusion of a red dye in commercial diesel. At around this time, a 10% rate also applied to Shannon companies, and to financial services firms operating in the International Financial Services Centre on Dublin’s docklands.

Towards the end of the 1990s, Ireland came under increased pressure from the EU to abolish these favourable tax rules. Up to the mid-1990s, the standard rate of corporation tax in Ireland was 40%, a marked contrast with the 10% rate. This ring-fencing of a favourable rate to one industrial sector

breached the OECD (1998) guidelines on harmful tax competition, as well as several EU codes. As described in Killian (2006), the sustained pressure from Germany in particular made the status quo untenable. At the same time, it was accepted in Ireland that the low rate on manufacturing was key to retention of the country's stock of foreign direct investment.

The 10% rate was, in any case, due to expire in 2010, and with political pressure from overseas, it became apparent it could not be extended beyond that date. Ireland's response was to comply with the letter of the recommendation, and remove those rules that favoured manufacturing more than other forms of industry. However, rather than raising the rate on manufacturing to match the higher rate applying to other forms of business, the mainstream corporation tax rate on trading profits was reduced to 12.5% on a phased basis from 1 January 2000, and this rate was applied to all companies resident in Ireland.

In terms of attracting foreign direct investment, the strategy seems to have been extremely successful. Gray et al (2009:43) document Ireland's disproportionate share of the US investment made into the EU, observing that in 2009, the total stock of US investment in the country was \$166 billion, or almost 5% of all US foreign direct investment worldwide. Since its initiation, the 12.5% has acquired a totemic national significance, and over time the four main political parties have come around to supporting the rate. It has become routine for the Minister for Finance to preface the annual national budget speech by a statement of continued commitment to maintaining this rate. Despite difficult negotiations with the Troika of EC, IMF and ECB, successive Irish governments have maintained an unswerving loyalty to the policy of low and predictable corporate taxes. A good example is the striking display of cross-party solidarity that greeted a motion proposed in the national parliament in November 2010 by the current Minister for Finance, Michael Noonan, reaffirming Ireland's commitment to the 12.5% rate which, despite being proposed from outside the government benches, was supported by all of the parties. The government Minister for Enterprise, Trade and Innovation (Deputy Batt O'Keeffe), in supporting the motion, remarked:

Normally, I would not agree with an Opposition motion but on this occasion there is great value in this House sending a united message on the importance of keeping our corporation tax at 12.5%. (Oireachtas 2010).

His colleague Deputy Dara Calleary, a more junior government Minister in the same department went on to say:

I affirm there will be no change to our corporation tax. It is an absolute red line in terms of any discussions that have taken place. Our corporate tax rate is critical to supporting our economic recovery and employment growth and is a cornerstone of our industrial policy and an integral part of our international brand. (Oireachtas 2010).

Despite, or perhaps because of, this universal domestic support, in recent years, Ireland's tax regime has recently again attracted adverse international publicity. This has focused less on the low headline rate, and more on the complex tax-motivated structures put in place by companies such as Google, Apple and Microsoft which reduce their global tax bills to extremely low levels. One example is the use of a structure known as the Double Irish, a scheme whereby two Irish firms, one resident in Ireland and one in Bermuda are effectively regarded as a single Irish entity under US law, allowing profits to be routed through Ireland and sheltered in Bermuda. There is little or no benefit to the Irish exchequer from companies using the country as a conduit in this way. However, the nature of the scheme has brought scrutiny to the Irish tax system more generally, looking beyond the low rate of corporation tax to the rules on transfer pricing, the network of double tax treaties, and the establishment of shell companies in Dublin by some multinational firms. The response of both government and opposition has consistently been to defend the sovereignty of Ireland's tax rate, and the transparency of the system.

Ireland's Overseas Aid, and potential policy incongruence

Although domestic political support for Ireland's corporation tax policies is overwhelming, and public support is strong, the way in which the Irish tax system has been used by some companies is potentially incongruent with another key national commitment. Ireland's approach to overseas aid has a significant position in the national psyche. Ireland scores very well on international measures of overseas development assistance. For example, the Centre for Global Development (CGDEV)'s annual Commitment to Development Index (CDI) ranks Ireland in the top ten in four of the eleven

years studied. This is driven by what CGDEV (2013) describe as ‘its high quality foreign aid program, low emissions growth compared to GDP growth and its contributions to United Nations peacekeeping operations.’

In 2012, Ireland’s Official Development Assistance amounted to €629 million, or 0.47% of GDP. (Irish Aid, 2012). Despite the economic downturn, public support for overseas development aid remains high. A survey carried out in December 2012 found that 85% of the general public believed it was important to continue direct support to developing countries, and 88% of respondents were proud of Ireland’s record in this regard (Dochas, 2012). This pride in Ireland’s aid record is also evident in the words of the relevant minister, Joe Costello, on launching a volunteering initiative in October 2012: ‘Ireland is renowned for our solidarity with those in the greatest need. I am confident that, through our new Volunteering Initiative, we will build on our reputation and maximise our contribution in the fight to end global poverty and hunger.’ (Irish Aid, 2013). Irish assistance to developing countries is an important part of the national psyche.

However, despite this commitment, there are examples showing how Ireland’s tax rules have interacted in an unhelpful way with the development aims of the countries served by its overseas aid policy. Irish Aid’s budget is targeted at nine priority countries, mostly in sub-Saharan Africa. These are Ethiopia, Lesotho, Malawi, Mozambique, Sierra Leone, Tanzania, Uganda, Vietnam and Zambia. Zambia’s share of the overall budget was approximately €16million in 2012, roughly half of which was spent on education projects, with the balance weighted towards HIV and Health, Governance and Social Infrastructure programmes. The work is carefully monitored, and has a very positive impact within Zambia, all of which is transparently reported by Irish Aid.

In February 2013, Action Aid produced a report focusing on the tax affairs of Associated British Foods and their Zambian Subsidiary (Lewis 2013). The report details how interest on a loan taken out by the Zambian company from a South African bank was channelled through a group company registered in Dublin. The loan was denominated in local Zambian currency, and repaid through a bank in Lusaka. However, the fact that the payments were routed through Dublin meant that withholding taxes of approximately 15% on the interest were avoided. Management and other

fees were also routed through this Dublin company, again taking advantage of the absence of withholding taxes in the Ireland-Zambia double tax treaty. This action reduced the tax revenue collectible in Zambia not only by avoiding the payment of withholding taxes, but also by reducing the taxable profit in the Zambian Subsidiary. Since tax revenue is a far more sustainable source of income for a developing country than overseas aid, the way in which the Irish company was used was at clear cross purposes to Ireland's overseas aid objectives. In response to this, the tax treaty with Zambia has now been renegotiated, which is a very welcome development.

More generally, aggressive tax competition on the part of Northern countries including Ireland puts pressure on developing countries to reduce their own headline rate of corporation tax in response, in an effort to win foreign direct investment and to reduce the motivation to set up complex, cross-border structures to divert taxable profit away from the main manufacturing base. As an example, Lewis (2013) reports that the already low rate of 15% applied to the profits of Zambia Sugar has been further reduced in 2012 to 10% . Altshuler and Grubert (2005) note that this should not be seen as a simple, incremental response. 'The results illustrate the importance of including both company tax planning and the cooperation of home and host governments in an accurate depiction of any race to the bottom' (Altshuler and Grubert, 2005:32). The corporate tax rates are falling not simply because of a process of mutual undercutting on the part of developing countries, but because of a more complex set of interactions involving a range of jurisdictions as well as the actions of multinational firms.

In 2015, the Irish government published a much anticipated spillover analysis, commissioned to investigate the extent to which the Irish tax system might have a negative impact on other countries (IBFD, 2015). The commissioning of this report was a very welcome development, acknowledging the risk of negative spill overs specifically on developing countries. The work undertaken is thorough, though limited because of the paucity of data available on outward FDI from Ireland to the Global South. The report finds that Ireland's tax system has no direct negative impact on the Global South, but this conclusion must be tempered by the focus on direct tax effects, ignoring, for example, the competitive impact of a low rate, or investment from Ireland which is made through third countries. Nonetheless, such work is useful, and extensions which take into account broader and more behavioural impacts would be welcome.

Conclusion

Ireland's overseas aid is effective in delivering assistance and building capacity in its priority countries. The corporation tax policy delivers measurable results in terms of foreign direct investment to the country. Independently measured, both policies can be judged as successful, within the scope of the chosen measures. However, comprehensive efforts to integrate the definitions of success have not yet been realised, although recent moves in this direction are a welcome foundation.

Ireland is by no means unique in having tax policies that conflict with overseas aid targets. Weyzig (2013) comprehensively details the massive impact of way in which multinational firms use the Dutch Double Tax Treaty network to channel profits away from developing countries. The cost in terms of lost revenue to developing countries which can be directly attributable to the use of Dutch tax treaties is estimated to have amounted to €100 million in 2007. The study concludes that in the case of the Netherlands, the 'causes of policy incoherence are structural and political in nature, because the interests of developing countries inherently conflict with special interests of various large multinationals and Dutch service providers' (Weyzig, 2013:185).

The example of Ireland's tax competition and overseas aid is close to the dominant theoretical frame on policy incoherence. The beneficiaries of Ireland's overseas development aid whose welfare is impacted are, as theorized, a diffuse group, insufficiently organized or focused on Ireland to seriously influence policy. This begs the question of *cui bono*; what group benefits from Irish tax policy? It is not necessary that this should be a cohesive and well-organised group which might be in a position to actively influence the direction of the policy. It is also possible, as discussed in Killian (2013) that the decades of successful tax competition in Ireland, widespread public and overwhelming all-party political support for the corporate tax regime might operate at an unconscious level; a given set of policies may acquire dominance not because of any direct personal benefit to one set of actors, but rather because there is a pervasive hegemonic belief that this is the appropriate way to direct the economy, and that certain tenets of tax policy are not open to question or amendment. The records of the Oireachtas, and the broad cross-party support for almost all aspects of our corporate tax policy would appear to support this hypothesis.

Any tolerance of policy incoherence which contributes to a system which damages a country which Ireland seeks to support would indicate that policy-makers are operating in a compartmentalized way, unable or unwilling to consider the wider impact of their choices. Regrettably, such pragmatism, and acceptance of the established ways of doing business may be at the root of the tax policy incoherence highlighted above, supporting the notion that Ireland's successful record in securing foreign direct investment over the last three decades may have led to a form of tax policy capture which may inhibit the designers and supporters of corporate tax policies from taking a realistic look at the impact of their decisions. The 2015 Spill Over Analysis is a welcome indicator that such policy incoherence is no longer reflexively acceptable. What is needed to complete the change of paradigm is a more holistic method of measuring success of both tax and aid policies in an integrated way, and of analysing their impact, at least ex-post, on a regular basis.

(Acknowledgement: Note, this chapter draws significantly on Killian (2013), an earlier paper published in the e-Journal of Tax Research, and some of that material is integrated here with the kind permission of the journal editors.)

References

Aiko, R. and Logan, C. (2014) 'Africa's Willing Taxpayers Thwarted by Opaque Tax Systems, Corruption', Policy.

Ashoff, G. (2005). 'Enhancing Policy Coherence for Development: Justification, Recognition and Approaches to Achievement.' Studies 11, Deutsches Institut für Entwicklungspolitik, Bonn, September 2005.

Altshuler, R. and Grubert, H. (2005). 'The three parties in the race to the bottom: host governments, home governments and multinational companies.' CESifo working papers, No. 1613.

Bird, R. (2013). 'Taxation and Development: What Have We Learned from Fifty Years of Research?' IDS WORKING PAPER, Volume 2013 No 427. July 2013.

Blackie, M., et al. (2006). Poverty, AIDS, and hunger: Breaking the poverty trap in Malawi, New York: Palgrave Macmillan.

Blouin, C. (2007). 'Trade policy and health: from conflicting interests to policy coherence,' Policy and Practice, Bulletin of the World Health Organization 2007 (85) pp:169-173.

Centre for Global Development (2013). Ireland Country Report, 2013. Available online at cgdev.org/cdi

Chipeta, C. (2002). "The second economy and tax yield in Malawi."

Chiumia, A. and K. Simwaka (2012). "Tax policy developments, donor inflows and economic growth in Malawi." Journal of Economics and International Finance 4(7): 159-172.

Dochas (2012). Public Responses on Ireland's Investment in Overseas Aid. April 2012. Available online at http://www.dochas.ie/Shared/Files/2/120502_-_MRBI_April_2012_-_Attitudes_towards_ODA.pdf

EU (2013). EU 2013 Report on Policy Coherence for Development

Gray, A. W., Swinand, G., Batt, W., (2009) 'Economic Analysis of Ireland's Comparative Advantages for Foreign Investment', Indecon, Dublin. ISBN 978-0-9531318-1-5

IBFD (2015). 'IBFD Spillover Analysis: Possible Effects of the Irish Tax System on Developing Economies'. Government Publications, Dublin.

Irish Aid (2012). 'Reducing Hunger, Strengthening Resilience: Irish Aid Annual Report 2012'. Government Publications, Dublin.

Irish Aid (2013). 'Minister for Trade and Development Joe Costello TD launches new volunteering initiative'. Press Release, 12 October 2013.

Killian S. (2006) 'Where's the harm in tax competition? Lessons from US multinationals in Ireland.' *Critical Perspectives on Accounting*, 17 (8):1067-1087.

Killian, S. (2011), 'Driving the Getaway Car? Ireland, Tax and development', DDC Press, Dublin. ISBN 978-0-9567355-0-8.

Killian, S. (2013), 'Irish Tax Policy and Policy Capture' in 'The Future We the People Need: Voices from New Social Movements in North Africa, Middle East, Europe & North America', Werner Puschra and Sara Burke (eds), Friedrich Ebert Stiftung, New York, February 2013

Killian, S. (2014), 'Financial Vulnerability in Malawi'. A report for Debt & Development Ireland and Trocaire. Dublin, Ireland. September 2014.

Lewis, M. (2013). 'Sweet Nothings: The human cost of a British sugar giant avoiding taxes in southern Africa.' Report For Action Aid UK, Somerset, February 2013.

Magalasi, C. V. P. (2009). UNMASKING THE MALAWI TAXATION SYSTEM. Lilongwe, Malawi Economic Justice Network.

Mussa, R. (2014). "Household expenditure components and the poverty and inequality relationship in Malawi." *African Development Review*26(1): 138-147.

Nakagawa, S., Bahl, A., Demisse, M., Ishizuka, M., Miranda, F., Ramirez, F. and Sung, K. Y. (2009) 'Foreign Direct Investment in Blantyre, Malawi: Opportunities and Challenges'.

Ndikumana, L. and J. K. Boyce (2010). "Measurement of Capital Flight: Methodology and Results for Sub-Saharan African Countries*." *African Development Review*22(4): 471-481.

Nsiku, N. (2013). *Assessing Investment Incentives in Malawi*. I. I. f. S. Development. Manitoba, Canada, International Institute for Sustainable Development.

Nsiku, N. and S. Kiratu (2009). "Sustainable Development Impacts of Investment Incentives: A Case Study of Malawi's Tourism Sector."

Oireachtas (1988). Online repository of Dáil Eireann debates, available online at <http://historical-debates.oireachtas.ie/D/0380/D.0380.198805100143.html>

Oireachtas (2010). Online repository of Dáil Eireann debates, available online at <http://debates.oireachtas.ie/dail/2010/11/23/00019.asp>

O'Neil, T., et al. (2013). *Fragmented governance and local service delivery in Malawi. Shaping Policy for Development*. London, Overseas Development Institute: 92

Organisation for Economic Co-operation and Development (1998). 'Guidelines on harmful preferential tax regimes'. Paris. 1998.

Organisation for Economic Co-operation and Development (2005). 'Policy coherence for development: promoting institutional good practice'. Paris. 2005.

Weyzig, F. (2013). 'Taxation and Development: Effects of Dutch Tax Policy on Taxation of Multinationals in Developing Countries.' Ipskamp Drukkers, Enschede, the Netherlands. 2013. ISBN: 9789461918710

World Bank (2006). *Malawi - Poverty Reduction Strategy Paper (Malawi Growth and Development Strategy) and Joint IDA-IMF Staff Advisory Note*. Washington, DC, World Bank.

World Bank (2013). *Doing Business 2014: Malawi. Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, DC, World Bank Group.