

Ending exploitative taxation

Introduction

Taxation is the financial system in which government takes some percentage from the income of business owners and the citizens of the country to support health and education system.

Exploitative taxation

The taxation that is applied only for poor people who are struggling to get bread on the table and is not applied to the elite class is called exploitative taxation. The rich get by without paying any of their taxes or bills which ends up resulting in the saturation of money which means that the rich ends up becoming richer and the poor remains poor without even experiencing an elite life style. This is the proof of the unjust system in the present society.

Why fair taxation matters?

When there is fair taxation and people pay taxes according to their equity which means that there is no burden on any living class of the society this also provides the fair and just system to the society which makes each and every class of society satisfied and keeps them in check. Here's every person knows about their rights and responsibilities and they know that they have to pay the taxes according to their network.

If this continues, and the food chain in society is not maintained equally, then wealth becomes saturated in the hands of a few. The economy of the country seems to go down hill that ends up leading to social and economic downfall of the country.

Historical background:

Exploitative taxation is not a modern problem it has been within a system since centuries back when societies started to form in the system and increasing day by day it started when colonial powers took control on weak communities and countries.

In my view the best example in historical background is that when countries like England and France applied heavy taxes on the underdeveloped countries in Asia and Africa. In 1900's colonial era of British and other powers applied heavy taxes on underdeveloped Asian and African countries that made them strong but their economy financially weak for local public.

By making underdeveloped countries sign unfair treaties the right was given to foreign countries for tax exemption, special trading rights and unfair custom rules that damage the local public financially and become the biggest benefit for foreign countries.

And for now after the globalization this issue has become much worse and with now multinational corporations use profit shifting, loopholes and tax havens to save millions of taxes and end up making them a burden for common man.

For example, large tech companies share their profit to tax friendly companies and it damages the economy of developing countries which ends up resulting in loss of millions of dollars tax.

Current form of exploitative taxation:

As you can see there are many forms of taxes, in which unfair tax collection can happen e.g. federal tax, state tax, property tax, income tax.

Cross-border profit manipulation:

Multinational companies never declare their tax in their own country they shift their taxes to tax haven or low tax countries and from this approach these companies save their tax legally but when revenue generates, government doesn't receive taxes.

Burden Shifting Through Regressive Tax Models:

When government applies various kinds of taxes like GST, federal and state tax, sales tax, fuel tax etc, the poor is affected the most. The rich is not in the least but effected and the middle and lower class of the society just keeps being pressurized to pay their taxes when they are getting barely enough wage to get them by their daily necessities. This situation created a much harmful gap between the classes of society which causes harm in various ways directly or indirectly. All this weight is carried by the blue-collar workers

Illicit Capital Drain Beyond Regulatory Oversight:

Through this approach most of money transfers to foreign countries through illegal approaches like smuggling, money laundering, trade mispricing or undeclared offshore accounts. To measure or track this system is very difficult and by taking benefit from it. And by this approach government revenue capacity and public services became weak.

Increase in poverty:

Due to exploitative taxation, that makes the huge impact on low-income people that decrease the disposable income of them. And with indirect taxes like sale taxes etc. Badly effect the poor ones due to huge tax on basic items of household.

Decrease of purchasing power:

When taxation on basic items increase then real income falls down and people are not able to buy items because that's doesn't aligns in their budget and saturation of purchasing in market start decreasing and it downgrades the lifestyle of middle-class people.

Social injustice:

- Unequal taxes increase injustice.
- Rich people use loophole, and poor are fully taxes.
- Unequal application of law
- Exploitation of marginalized groups.

Protests and instability:

Due to increasing of unfair taxes public aggression is rising day by day in the present and that's why protests are being held. But as everyone knows protests always never worked for them but they face so many more difficulties and not only public there are so many other people who are just trying to survive with their income pay more than anyone due to protests labours work for their daily income and when there is road blockage due to protests the labours kids are not able to eat for that day. Also, never and ever in history any of protests succeed but yes there are so many poor who have to pay the price by sacrificing their lives in these protests. And because protests disrupt the lives of students, labourers, office workers, and people from different categories, they are often forced to stop protesting, whether they achieve results or not.

Ending exploitative taxation: A way forward:

Establishing a fair progressive tax system:

The first and foremost step to end exploitative taxation is to apply fair and progressive tax system. Like people have to pay tax according to their wealth and income. The people who earn more and easily manage their households and needs have to contribute more and low-income people can get relief from the tax system. Indirect taxes that are applied on every class equally are disadvantage for poor one's. That's why it is important to reduce tax burden and close the loopholes for elite classes so that there will be economic justice for all.

Reducing the burden on basic needs:

Basic needs of every human are same like food, health, shelter, education etc. This is the social injustice to apply more tax on basic things rich class can easily afford anything but poor people are not able to survive easily. When there is more tax on these basic items so there will be increase of poverty and inequality that's why main focus on tax policy must be tax relief and exemption for poor one's so that poor class or middle class easily fulfill their basic needs.

Ensuring transparency and accountability:

Public trust on tax system happens only when they see their paid taxes are getting used on right way. Transparency and accountability is the strong tool for exploitative taxation. If tax revenue record is available for public, and take strong steps for corruption also monitor the tax collection and spending with digital systems so misuse of taxation can be reduced.

Strengthening Public Participation and Awareness:

For reducing exploitative taxation not only reforms of government also public participation make it succeed. Public citizens must know the tax policies and take steps for injustice is very important. Media, civil societies and educational institution roles are very important for awareness of tax policies. When public are aware of unfair taxation so they react with constructive and democratic method for exploitative taxation.

Building a Sustainable and Just Economic Framework:

And finally ending exploitative taxation is not happens with public reforms also it is social and moral duty of every citizen. With fair taxation not only decrease of inequality happens also occurs long term economic stability and social harmony. When tax system base is on justice, transparency and inclusiveness then there is strong trust relation between state and citizens. And with the help of these little steps make county's future secure and better.

Thesis statement:

So, if we have to end the exploitative taxation so we have to work on it on both national and international level and every person of the country has to cooperate in this system because the problem is not on the national level it is also on international level because this is not such type of problem that can be solved with one person or two person or group of community or so it has to be solved in a way that it is and it remains in a way for a long time and for that every person must have to be responsible to pay their taxes on time and their to fulfill their duty as good and responsible citizen there is need of cooperation from national level to build a strong stable nation who knows the integrity.