

Wednesday, 10 July 2024

Dear G20 Leaders,

We, the undersigned former Heads of State and Government of G20 and higher-income countries, write to ask for your leadership to back the Brazilian G20 presidency's proposal for a new [global deal to tax the world's ultra-rich individuals](#).

We, as former leaders, recognize a rare strategic opportunity when we see one.

Taxes are the foundation of a civilized, industrious, and prosperous society. Yet our time is one in which the ultra-rich across the world pay a lower tax rate than teachers and cleaners. Billionaires, globally, are paying a tax rate equivalent to [less than 0.5% of their wealth](#). Trillions of dollars that could have been productively invested in communities, education, health, and infrastructure have instead been unproductively accumulated by the ultra-wealthy.

Extreme inequality follows. In G20 countries, the share of income of the top 1% of earners has risen by 45% over four decades while top tax rates on their incomes were [cut by roughly a third](#). That too many people feel the social contract is broken and their democracies have left them behind is all too understandable.

We know you know this. But our time is also one of promise, and Brazil's G20 proposal underlines the opportunity to write a new story about taxation for the first time in a generation.

We commend governments providing leadership and championing bold proposals to address inequality. Consider President Biden's proposed [billionaire income tax](#), that sets a global example. Across the world and political spectrum, taxing the ultra-rich enjoys consistent popular support, even among the ultra-rich themselves. The leadership of the G20 was vital to securing a global deal for a minimum tax on corporations. Now it's time to do the same for the ultra-rich.

Every government must tax the ultra-rich. Every country can act. National action is indispensable. We need to tax billionaires' income in every country.

But national action alone can only go so far. Global capital does not respect national borders. Tax avoidance and evasion by the ultra-rich succeeds when governments fail to work together. We need global cooperation.

That is why the proposal set out by President Lula and the Brazilian G20 presidency for a new global deal for taxing the world's ultra-rich individuals is strategic and necessary.

Now is the time to foster cooperation for a shared standard so every billionaire on earth is paying a minimum level of their income in tax. We commend the governments of [France, South Africa and other countries](#) supporting this much-needed G20 proposal, and join the distinguished economists who champion it.

A new global deal to tax the ultra-rich is, crucially, *in the service of strengthening national efforts* to ensure the ultra-rich cannot evade domestic taxation efforts. It would reduce inequality and raise trillions of dollars necessary for investments in industrial policy and a just transition.

A global deal to tax the ultra-rich would be a shot in the arm for multilateralism: proving that governments *can* come together for the common good, especially at a time of fractured North-South solidarity in a decade that has seen a pandemic and war. It would build upon the G20 2021 minimum global corporate tax deal agreed to by 136 countries.

And a global deal would also help our economies to be more productive and resilient in the face of shocks. It must be designed in a manner that eases the tax burden on the working classes; that is ambitious enough to redress inequality; and that respects each country's own policy choices for taxation.

We know, first-hand, the reality of political office and the constraints of leadership – including the pressures placed upon you. Rare is a proposal that asks us as former leaders to rally in unity – and that we recognize as politically possible. This, clearly, is one.

Dear G20 leaders – you lead the world's most powerful economies and in this time of political and economic malaise, you can be the shepherds of progress and change. We ask that you offer the world leadership for a new consensus on taxation. We stand ready to support you on this agenda.

Sincerely yours,

**Signatories\*:**

**Carlos Alvarado** - President of Costa Rica (2018-2022)

**Michelle Bachelet** - President of Chile (2006-2010; 2014-2018) and Vice-President of Club de Madrid

**Jan Peter Balkenende** – Prime Minister of the Netherlands (2002 – 2010)

**Valdis Birkavs** - Prime Minister of Latvia (1993-1994)

**Kim Campbell** - Prime Minister of Canada (1993)

**Laura Chinchilla** - President of Costa Rica (2010-2014)

**Helen Clark** - Prime Minister of New Zealand (1999-2008)

**Julia Gillard** - Prime Minister of Australia (2010-2013)

**Felipe González** - President of the Government of Spain (1982-1996)

**Dalia Grybauskaitė** - President of Lithuania (2009-2019)

**Alfred Gusenbauer** - Chancellor of Austria (2007-2008)

**Han Seung-soo** - Prime Minister of the Rep. of Korea (2008-2009) and Vice-President of Club de Madrid

**Aleksander Kwaśniewski** - President of Poland (1995-2005)

**Yves Leterme** - Prime Minister of Belgium (2008; 2009-2011)

**Stefan Löfven** - Prime Minister of Sweden (2014-2021)

**George Papandreou** - Prime Minister of Greece (2009-2011)

**José Luis Rodríguez Zapatero** - President of the Government of Spain (2004-2011)

**Danilo Türk** - President of Slovenia (2007-2012) and President of Club de Madrid

**Dominique de Villepin** - Prime Minister of France (2005-2007)

\* All signatories are full Members of Club de Madrid, the largest forum of democratic former Presidents and Prime Ministers.