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TAX POLICY IN THE CONTEMPORARY WORLD: PECULIARITIES AND PROSPECTS, IMPLEMENTATION IN RUSSIA

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ABSTRACT The article describes the peculiarities of tax policy implementation in the system of international economic relations under conditions of contemporary development, characterized by turbulence, unpredictability and high speed of changes. The author estimates the influence of modern transformational changes on national tax systems and tax policies of the leading countries of the World, including their adaptation to the so-called “new normality”, the decline of liberalism and the deceleration of globalization, virtualization of economic activity and revival of the idea of national identity. Taking into account the impact of the above factors, the author forecasts a common vector of national tax systems’ development, as well as evaluates inter-state interactions in tax matters and determines perspectives of tax policy improvement in Russia on the eve of presidential elections of 2018. The main conclusions are following: 1) in the modern world the best is such a tax policy, which is focused on the regulating (stimulating), and not on the fiscal role of taxes; 2) the process of intensive international tax cooperation, which started just after beginning of the recent global economic crisis, is developing quite successful and it involves more and more interested countries; 3) modern tax systems at the present time are influenced by a large number of transformational factors, including global turbulent environment, which are reflected accordingly in the national tax policy and not always unequivocally positive; 4) tax policy of the Russian Federation ahead of the presidential elections in 2018 and after them should be continuity to the period of 2000–2017 years, considering appropriate progressive global trends

KEYWORDS International tax cooperation, international tax regulation, Russian tax policy, tax policy, tax regulation, tax system, tax reform, tax administration

HIGHLIGHTS

1. In the modern world the best is such a tax policy, which is focused on the regulating (stimulating), and not on the fiscal role of taxes
2. The process of intensive international tax cooperation, which started just after beginning of the recent global economic crisis, is developing quite successful and it involves more and more interested countries
3. Modern tax systems at the present time are influenced by a large number of transformational factors, including global turbulent environment, which are reflected accordingly in the national tax policy and not always unequivocally positive
4. Tax policy of the Russian Federation ahead of the presidential elections in 2018 and after them should be continuity to the period of 2000–2017 years, considering appropriate progressive global trends

НАЛОГОВАЯ ПОЛИТИКА В СОВРЕМЕННОМ МИРЕ: ОСОБЕННОСТИ И ПЕРСПЕКТИВЫ, РЕАЛИЗАЦИЯ В РОССИИ

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АННОТАЦИЯ В статье характеризуются особенности реализации налоговой политики в системе мирохозяйственных связей (включая Россию) в условиях повышенной экономической турбулентности, непредсказуемости и быстрых перемен. Оценивается влияние трансформационных изменений современности, включающих приспособление к так называемой «новой нормальности», заката либерализма и торможения глобализации, виртуализации хозяйственной активности и возрождения идей национальной идентичности на национальные налоговые системы и налоговую политику ведущих стран мира. С учетом воздействия приведенных факторов прогнозируется общий вектор развития национальных налоговых систем, а также межгосударственных взаимодействий в налоговой сфере, и определяются перспективы совершенствования налоговой политики России в преддверии президентских выборов 2018 г. В результате исследования сделаны следующие выводы: наилучшей налоговой политикой в современных условиях развития системы мирохозяйственных связей является политика, ориентированная на регулирующую (стимулирующую), а не на фискальную роль налогов; процесс всеобъемлющего международного налогового сотрудничества, стартовавший после начала глобального экономического кризиса 2008–2009 гг., развивается достаточно успешно, вовлекая в свою орбиту все большее количество заинтересованных стран; современные налоговые системы в настоящее время испытывают на себе влияние большого числа факторов трансформационного характера, включая глобальную экономическую турбулентность в ее различных проявлениях, что соответствующим образом отражается и на национальной налоговой политике, причем не всегда положительно; налоговая политика России до президентских выборов 2018 г. и после них должна соотноситься с политикой 2000–2017 гг., учитывая при этом соответствующие прогрессивные мировые тенденции

КЛЮЧЕВЫЕ СЛОВА Международное налоговое регулирование, международное налоговое сотрудничество, налоговая политика России, налоговая политика, налоговое регулирование, налоговая система, налоговые реформы, налоговое администрирование, международное налоговое сотрудничество

ОСНОВНЫЕ ПОЛОЖЕНИЯ

1. Выявлено, что наилучшей в современных условиях развития системы мирохозяйственных связей является такая налоговая политика, которая ориентирована на регулирующую (стимулирующую), а не на фискальную роль налогов
2. Установлено, что процесс всеобъемлющего международного налогового сотрудничества, который стартовал сразу же после начала глобального экономического кризиса 2008–2009 гг., развивается достаточно успешно, вовлекая в свою орбиту все большее количество заинтересованных стран
3. Определено, что современные налоговые системы в настоящий момент времени испытывают на себе влияние большого числа факторов трансформационного характера, включая глобальную турбулентность в ее различных проявлениях, что соответствующим образом отражается и в национальной налоговой политике, причем не всегда однозначно позитивно
4. Констатировано, что налоговая политика России в преддверии президентских выборов 2018 г. и после них должна отличаться преемственностью к периоду 2000–2017 гг., при этом учитывая соответствующие прогрессивные мировые тенденции

Introduction

After the crisis of 2008–2009, the world economy has entered a new phase of development, the so-called “new normality” characterized by slower growth, price volatility and turbulence of markets, as well as by a high degree of uncertainty under conditions of growing global transformations. Meanwhile, at the stage of implementation of their national anti-crisis programs, different countries followed their own ideas about what should the tax policy of the post-crisis period be, leading to different types of tax adjustments in the world. Corresponding changes have focused both on how to improve the fiscal function of taxes to ensure desired level of its collection to the budget and on how to stimulate regulatory and socio-distributive functions of taxation (including the postulates of tax neutrality for businesses and their key impact on the process of income equalization in a society). Along with this, all countries had acted in different directions, depending on the severity of global economic crisis consequences for the national economy. A certain unity in the world was observed only in the area of strengthening of interstate cooperation in tax matters to prevent tax evasion and so-called aggressive tax planning. This cooperation takes place through the international tax regulation under the auspices of the OECD and the Group of 20 (G20).

As a result, the following status quo in the global system of international economic relations has developed in the tax area by present time: national tax systems in the post-crisis period, having undergone some cosmetic changes, continue to focus on national objectives of economic development, which is subject of corresponding tax policies of different countries. However, since 2009, significant progress was made in the field of international tax coordination aimed mainly at the exchange of information to strengthen tax administration and improve tax collection. Nevertheless, problems of development of the system of interna-

tional economic relations, which began to appear since 2014, raise new questions about the future prospects of national tax systems development and about the essence of national tax policies.

Among the changes that emerged in the modern world, first of all we should pay attention to a noticeable decline in popularity of liberal and neo-conservative ideas, the inhibition of globalization process, virtualization and digitalization at the business landscape and social relations, the resurgence of national identity of States and their economies. Events that have happened on this background and led to the beginning of a new geopolitical confrontation between Russia and Western countries and initiated the rise of social and religious conflicts in the world, China’s desire to strengthen its political and economic influence, as well as the key moments of 2016 such as Britain’s decision to leave the European Union (Brexit) and election of the President of the United States Donald Trump, are needed of understanding from different points of view, including from the standpoint of their impact on the development of national tax systems and the relevant changes in tax policies of different countries.

The aim of the article is to characterize features of the modern tax policy in the world (including the contemporary tax policy of Russia) in conditions of increased turbulence and unpredictability, as well as to predict vector of development of national tax systems and to evaluate international interactions of countries in the field of taxation for the nearest future.

Note that due to the extremely high speed of change in the modern global economic system any of the obtained insights may prove to be outdated very soon. However, some forecasts and estimates appear to us to be appropriate, including possible changes in the Russian tax system and in the Russian tax policy in connection with the upcoming presidential elections in 2018.

Undoubtedly, the status of tax systems and implementation of tax policy in modern conditions are one of the most

popular areas to explore both in Russia and in foreign countries. There are many publications on this subject made in the end of 2000s and in 2010s. For example, J. Slemrod wrote on tax policy lessons in the “Great Recession” epoch [1]. J. Brondolo [2] focused on problems of tax collections during an economic crisis. Influence of crisis on the tax policy became an object of researching in the publication of J. Alworth and G. Arachi [3]. Post-crisis fiscal policy was analyzed in books of C. Cottarelli [4], A. Alesina and F. Giavazzi [5]. Role of the OECD and other international organizations for tax policy coordination in the world was described in works of K. Martens and A. Jakobi [6] as well as by A. Christians [7]. Proposals for a tax reform of new quality was done by T. Pogge, K. Mehta [8] and A. Philippopoulos [9]. Different aspects of tax optimization were characterized by R. Boadway [10]. R. de Mooij and G. Nicodème [11] analyzed taxation and regulation of the financial sector. The author of the article in cooperation with N. Bashkirova paid attention to issues of development and functioning of the tax system of Russia in the post-crisis era [12] as well as analyzed in cooperation with E. Kilinkarova and N. Bashkirova the positive experience of Russian tax reforms of 2000s in the appropriate chapter of the book “The Complexity of Tax Simplification” published by an international group of tax researches [13]. However, the dynamics in a rapidly changing world, as well as constantly emerging new challenges and unresolved problems allow us to continue researching features and prospects of formation and implementation of tax policy under contemporary conditions.

We will present main provisions of this article in the following way, emphasizing the appropriate three topics:

- trends in the development of national tax systems in mid-2010 years and current tasks of a national tax policy;
- features of tax policy realization in terms of modern transformational changes and geopolitical challenges;
- Russian tax policy: before and after 2018.

Trends in the development of national tax systems in mid-2010 years and current tasks of a national tax policy

After the global economic crisis of 2008–2009 and the ensuing escalation of budget deficits and public debt, that was typical for the period 2009–2013, by 2014 year the GDP growth and the state of public finance of the leading countries of the world stabilized. The situation in sphere of tax revenues, which on the background of the cyclical downturn and large-scale programs of state support of national economies in 2009–2013 tended to decrease, also started to normalize. Thus, in the annual OECD *Revenue Statistics* report in 2016 marked that in 2015 proportion of taxes in the GDP in OECD member countries attained an average level of 34.3 % – the record after commencing of OECD reports publishing in 1965. Moreover, the tax burden indicator climbed in 25 from 32 OECD member countries¹. In general, tax collections statistics for 2007–2015 (see the Table 1) shows that Anglo-Saxon countries lowered their tax burden level till 2015 in comparison with the pre-crisis period (2007), while the leading continental European economies and Japan, in contrast, quite significantly increased the corresponding indicators of the tax burden (from 2 to 3 percentage points).

Taking into account the changes in tax systems, which aim at improvement (the sales tax in Japan) or at introduction of new taxes and fees (tax on high frequency trading securities in Italy), we agree that both in continental Europe and in Japan the fiscal function of taxes by the middle of 2010 became dominative, manifested itself in the growth of tax collectability and in increasing level of tax burden. On the contrary, in the Anglo-Saxon economies immediately after the crisis the regulatory mechanisms of taxation was largely activated including encourage entrepre-

¹ Tax revenues reach new high as the tax mix shifts further towards labour and consumption taxes. OECD, 2016. November, 30. Available at: <http://www.oecd.org/tax/tax-revenues-reach-new-high-as-the-tax-mix-shifts-further-towards-labour-and-consumption-taxes.htm>.

Table 1

**Proportion of the total tax collections to GDP in the leading developed countries,
2007–2015 (in percent)**

| Countries | Years | | | | | | | | | Vector of changes |
|------------------|---|------|------|------|------|------|------|------|------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | |
| OECD, in average | 33.8 | 33.2 | 32.4 | 32.6 | 33.0 | 33.4 | 33.8 | 34.2 | 34.3 | ▲ |
| Switzerland | 26.1 | 26.4 | 27.0 | 26.5 | 27.0 | 26.8 | 26.9 | 27.0 | 27.9 | ▲ |
| Japan | 28.5 | 28.5 | 27.0 | 27.6 | 28.6 | 29.4 | 30.3 | 32.0 | ... | ▲ |
| | Anglo-Saxon countries | | | | | | | | | |
| Australia | 29.7 | 27.1 | 25.8 | 25.6 | 26.3 | 27.4 | 27.6 | 27.9 | ... | ▼ |
| United Kingdom | 33.0 | 33.0 | 31.5 | 32.5 | 33.4 | 32.7 | 32.5 | 32.1 | 32.5 | ▼ |
| Ireland | 30.4 | 28.5 | 27.4 | 27.1 | 27.1 | 27.5 | 28.2 | 28.7 | 23.6 | ▼ |
| Canada | 32.1 | 31.7 | 32.0 | 30.6 | 30.5 | 31.0 | 31.0 | 31.2 | 31.9 | ▼ |
| USA | 26.7 | 25.7 | 23.0 | 23.5 | 23.9 | 24.1 | 25.7 | 25.9 | 26.4 | ▼ |
| | Leading countries of Continental Europe | | | | | | | | | |
| Germany | 34.9 | 35.4 | 36.1 | 35.0 | 35.7 | 36.3 | 36.4 | 36.6 | 36.9 | ▲ |
| Italy | 41.7 | 41.7 | 42.1 | 41.9 | 41.9 | 43.9 | 44.0 | 43.7 | 43.3 | ▲ |
| France | 42.4 | 42.2 | 41.3 | 42.0 | 43.2 | 44.3 | 45.2 | 45.5 | 45.5 | ▲ |

Sources: OECD Revenue Statistics. Available at: <https://data.oecd.org/tax/tax-revenue.htm>.

neurship by reduce of taxes (for example, the reduction in income tax rate in the UK from 26 % to 20 % in the period from 2012 to 2015 and the further country's intention to reduce this tax up to 15 %)². As a rule, at first, such measures lead to a reduction in tax revenue, but under the positive macro-economic environment, the tax rates contraction can have positive economies of scale effect in the medium and long term period as it happened in USA after ambitious tax reforms of the 1980s. In 2015, among the Anglo-Saxon economies, however, was an exceptional example of this kind. So, the reluctance of the Irish government to increase the tax burden in the crisis period by raising tax rates, taking into account the enormous budget deficit 2010 (-32.1 % of GDP!), led to a positive result for GDP growth in 2015 when Ireland became the world leader in this indicator (+26.3 %!)³.

Another noticeable trend in the development of tax systems in OECD member countries was marked increase in the role of labor and consumption taxes. In aver-

² U.K. Tax News 2017. The Complete World-Wide Tax and Financial Site. 2017, February, 10. Available at: http://www.worldwide-tax.com/uk/uk_tax_news.asp.

³ Ireland. The World Bank Database. 2017. Available at: <http://data.worldbank.org/country/ireland?view=chart>.

age, for OECD countries revenues from personal income tax (PIT) as well as from social insurance contributions, and value added tax (VAT) reached in 2014 in total 24.3 % of GDP, also set the record for all time of collection of relevant statistical information starting 1965.

The share of PIT in total tax revenue has increased since the onset of the global economic crisis (from 23.7 in 2007 to 24 % in 2014), while fees from corporate income taxes have not yet returned to their pre-crisis levels (only 8.8 % in 2014 from 11.2 % in 2007). Along with that, the share of PIT in the total tax revenue has increased since the beginning of the global economic crisis (from 23.7 in 2007 to 24 % in 2014), while collections from corporate income taxes has not yet returned to their pre-crisis levels (only 8.8 % in 2014 in comparison with 11.2% in 2007)⁴. The share of social taxes and duties to total tax revenue also increased from 24.7% in 2007 to 26.2 % in 2014. In turn, VAT has become the main consumption tax in the structure of national tax systems of OECD countries: its revenues made up in 2014, in average, 20.1 % of all tax revenues and 6.8 %

⁴ In overall, the share of PIT and tax on corporate profits currently stands at only a third of all tax revenues in OECD countries (33.7 % in 2014), while in pre-crisis 2007 their proportion was 36 %.

of GDP. The importance of VAT increase has become a trend for 22 of the 34 OECD countries, in the structure of tax systems of which this tax is available⁵.

As a whole, in the 2017 OECD's global GDP growth forecasts, the Organization notes the weakness of cross-border investment and foreign trade, but expects a moderate strengthening of growth in the world economy (3.6 % in 2018) thanks to a more active use of fiscal policy measures⁶. Thus, tax policy has to solve the problem of increasing the pace of global economic development. Obviously, in this context, the tax policy that promotes growth through the creation of appropriate incentives for business and labor activity of the population would be the best. Thus, taxes on the post-crisis stage of development do not need to increase and, at the same time, it is necessary to use even more their regulating (stimulating), but not fiscal role.

One of the most important trends in the development of national tax systems in the second decade of the XXI century was the strengthening of the nature of the interaction between national tax administrations due to the growing process of international tax regulation in the tax area. Becoming a response to the challenges of the financial crisis of 2008–2009, the consequences of which in the tax sphere was manifested in the form of increased tax evasion and aggressive tax planning of multinational companies and private persons with high level of incomes, international tax cooperation has achieved unprecedented results. Thanks to the activity of two major interstate institutions of tax regulation such as the OECD and the G 20, a legal framework of cooperation in international tax matters as well

as technical tools of country-to-country exchange of fiscal information was developed sufficiently. Moreover, the international tax coordination extends to previously non-cooperative jurisdictions, including so-called tax havens which were forced to become involved in the international tax regulation process under the pressure of international organizations. And if, before the global economic crisis of 2008–2009, the international tax cooperation, in particular exchange of information in tax matters, developed mainly on two participant countries basis, now the interstate tax regulation has acquired a multilateral character. So, its legal basis in the second decade of the XXI century has become an multilateral character in nature basing on new multilateral tax conventions instead of bilateral tax treaties prevailed previously.

In particular, in 2010 the OECD Convention on Mutual Administrative Assistance in Tax Matters which aims to prevent international tax evasion and fiscal fraud was signed⁷. It almost completely eliminates gaps in the legal framework of international tax regulations which previously allowed for unscrupulous taxpayers to hide from the pursuit of national tax authorities and judicial bodies on the territory of the so-called tax shelter countries. It is noteworthy that the signatories to this Convention are not only the member States of the OECD but all interested Nations involved in the activity of different OECD tax bodies such as the OECD Committee on Fiscal Affairs, the Forum on Tax Administration and the Global Forum on Transparency and Exchange of Information for Tax Purposes as observer States. Moreover, thanks to the previously activity of the OECD focused on the development of international tax cooperation and on the prevention of harmful tax competition, the black list of fully non-cooperative

⁵ Tax revenues reach new high as the tax mix shifts further towards labour and consumption taxes. OECD, 2016. November, 30. Available at: <http://www.oecd.org/tax/tax-revenues-reach-new-high-as-the-tax-mix-shifts-further-towards-labour-and-consumption-taxes.htm>.

⁶ General assessment of the macroeconomic situation. OECD Economic Outlook, vol. 2016, issue 2 Available at: <https://www.oecd.org/eco/outlook/general-assessment-of-the-macroeconomic-situation-oecd-economic-outlook-november-2016.pdf>.

⁷ The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol. OECD and Council of Europe, 2011. 112 p. Available at: http://www.keepeek.com/Digital-Asset-Management/oecd/taxation/the-multilateral-convention-on-mutual-administrative-assistance-in-tax-matters_9789264115606-en#_WON0zGnyJIU#page4and.

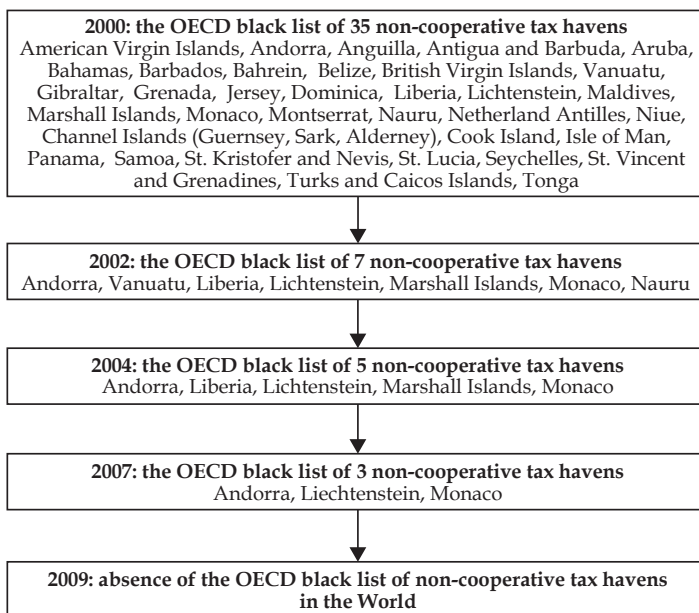
tax jurisdictions in the world (countries which was fully excluded from the international exchange of information on tax matters) was completely eliminated (see the progress which is illustrated on the Figure).

In 2013 under the authority of the G20 and with the active regulatory participation of the OECD one more very important for international tax cooperation process, the BEPS Actions Plan⁸ has started. As is clear from decrypt of this abbreviation meaning *base erosion and profit shifting*, the Plan is aimed to prevent aggressive tax planning from the side of multinational companies and rich individuals using low tax jurisdictions to hide their incomes from taxation in countries

of residence. The primary tools to end a popularity of such tax avoidance schemes in the world are introduction of unified measures pointed to fight against transfer pricing abuse, using of controlled foreign corporations and hybrid bodies registered in low tax jurisdictions, illegal thin capitalization, tax treaty shopping, harmful tax practice and possibilities of distance international e-commerce. These initiatives were supported by more than 100 countries both developed and developing and are realizing on multilateral basis as well.

Taking into account the processes occurring in the field of international tax regulation, it needs to recognize the growing level of coordination between countries in tax matters that should be appropriately reflected in the nature of implemented national tax policy. Thus, the methods of national tax regulation needs to reflect the global tendencies of opposition to tax evasion and aggressive tax planning, national tax administrations should expand

⁸ Action Plan on Base Erosion and Profit Shifting. OECD Publishing, 2013. 44 p. Available at: http://www.keepeek.com/Digital-Asset-Management/oecd/taxation/action-plan-on-base-erosion-and-profit-shifting_9789264202719-en#.WON6O2mLTIU#page4.



Progress of international cooperation with tax havens on fiscal transparency and exchange of information through the OECD activity

Sources: Towards Global Tax Cooperation. Report to the 2000 Ministerial Council Meeting and Recommendations by the Committee on Fiscal Affairs. Progress in Identifying and Eliminating Harmful Tax Practices. Paris: OECD, 2000. 31 p. Available at: <https://www.oecd.org/tax/harmful/2090192.pdf>; Tax revenues reach new high as the tax mix shifts further towards labour and consumption taxes. OECD, 2016. November, 30. Available at: <http://www.oecd.org/tax/tax-revenues-reach-new-high-as-the-tax-mix-shifts-further-towards-labour-and-consumption-taxes.htm>; OECD annual lists of non-cooperative tax havens

their cooperation on a multilateral basis. In particular, countries should focus on the possibilities of exchange of experience in tax matters and on the development of exchange of tax information operating on the principle of the widely popular global social networking.

Features of tax policy realization in terms of modern transformational changes and geopolitical challenges

Among the large-scale modern problems of development of the system of world economic relations, entailing significant changes of structural character, we should pay attention to the followings which are still not well understood:

- *the crisis of liberal ideology, the so-called Washington consensus*⁹;
- *the transformation of globalization into glocalization and "global regionalism" development*;
- *the growing popularity of protectionism and import substitution* instead of the openness of national economies;
- *the actual "technological stagnation" despite the boom of information technology*;
- *formation of a new world order* based on a new configuration of political forces in terms of geopolitics and geo-economics of the XXI century;
- *Religious transformation of the world.*

How does tax policy have to reckon with emerging transformational changes, adjusting to their consequences?

The exhaustion of the agenda of the Washington consensus for tax systems can mean that reigning in the leading countries in 1980–1990s and in the begin-

ning of the XXI century neoconservative approach to tax policy with a focus on the moderate taxation of business income (including income of its beneficial owners) and citizens, as well as suggestion of the freedom of international tax competition, may have the potential to exhaust itself. As the return of the active regulatory role of the State in the post-crisis era, we can expect (and this is already happening in the modern World) the growing pressure from the tax administrations of OECD member countries on the offshore sector which excessively swollen to the present time. The continuation of the policy of increasing the role of taxes on labor income and consumption in the structure of modern tax systems is also possible.

The emerging stagnation in the process of globalization and the disintegration of the world into zones and spheres of influence and the integration communities which are different in its configuration, and the growing manifestation of regional separatism lead to the fact that the tax system and tax policy in the foreseeable future will continue to obey the national sovereignty principle. It can produce difficulties in inter-country coordination on fiscal issues which will impact the structure of national tax systems and tax policies of various States will be largely determined by domestic economic objectives. Unfortunately, this process is developing in the modern World quite destructive and is causing negative effects for the national tax system and national tax policies.

In instance, the positive trend of the European tax coordination process which developed quite successful till now is under the question after the official launch of Brexit at the end of March 2017. It is obvious that Brexit will bring confusion in the previously consolidated position of the EU member countries related to convergence of national tax policies and tax systems. It appears that it should expect a revision of views of the EU on the process of international tax competition, whose explicit apologist was the United Kingdom. In addition, there will be a revision in application of customs duties in external trade of the UK, because the Great Britain will

⁹ "The Washington consensus" originally meant a complex of economic policy measures proposed by the International Monetary Fund and the World Bank as recommendations for overcoming the crisis phenomena in developing countries and transition economies (they were prescribed to Latin America and Eastern Europe) and aimed at strengthening the role of market forces and declining of the public sector in the national economy. In the context of this article the "Washington consensus", as is customary in a broader sense, we consider the macroeconomic policy based on the neoliberal (neo-conservative) tenets 1980–1990s, which lays emphasis on the deregulation of markets and "effective State" with a minimal set of functions and the optimum size of the property.

need to change its trade regime taking into account the new circumstances. All this shows that disintegration of the EU with starting of the Brexit process leads to an increase of national interests in the sphere of taxation, which adversely affects the consolidated position of the EU member States in relation to the process of European tax coordination which prevailed before 2017.

The other sides of the current trends of de-globalization are protectionism and import substitution because of national governments' desire to reduce their dependence on the turbulent external environment, often this is due to national security interests. Among measures which are already implemented or ready for implementation to increase the closeness of the national economy are the introductions of export duties or other taxes, limiting the accessibility of foreign products on the domestic market. Because these measures are often in contradiction with the WTO rules, in practice, there are more sophisticated to neutralize the impact of importing countries to national economy. The termination of participation of the country in the mega-regional integration groups with a liberal application of customs tariffs and tax regulation of foreign economic activity is also possible in particular. The most explicit example of this kind is the exit of the United States of America from the Trans-Pacific Partnership (TPP) in early 2017 just after inauguration of Donald Trump as the U.S. President¹⁰.

At first glance it is paradoxical that the "technological stagnation" occurs in the context of continuous improvement of information technology [14]. But this is true with regard to the actual substitution of the necessary fundamental changes by widespread digitalization of processes based on Internet technology and ubiquitous virtual reality with a fake shade that will definitely improve standardized products, but do not create anything fun-

damentally new. As a result, the contemporary tax policy becomes more technocratic, that places the tax administration at the forefront, using the latest achievements in virtual environments, including network effects. However, from a strategic point of view, the national tax policy should promote the birth of breakthrough technologies and the emergence of new database products, offering appropriate tax incentives to inventors and innovative enterprises. Here it is useful to remember the positive impact of tax incentives for R&D activity which became a part of tax reforms of the 1980s in the United States.

Formation of a new world order based on geopolitics and geo-economics of the mid-2010s years, for the development of national tax systems and modification of tax policies of leading States of the world can cause the following transformational effects. First, the United States, with the continuation of the previous line on aggressive dominance in the world, risks to lose the reputation of a country whose actions in the tax field still have the innovative and demonstrative nature and initiate similar changes in other States of the world (the popularity of the Laffer curve and supply-side economics, neo-conservative tax reforms of the 1980s, the modern theory of taxation, including the rationale explanation of positive effects from proportional income tax with low rates). Second, the countries of the European Union, largely trapped in their own vicious system, "the Welfare State" with high taxes, social-redistributive role of the tax system and the lack of tax incentives to innovation, have lost their attractiveness for copying to other parts of the world their unique experience in the implementation of tax policy and the tax systems on the basis of the priority principles of the social orientation of the State. Thirdly, Japan, as another component of the old triad of the capitalist world, also failed to make his experience useful to tax adjustments to tax policy in foreign countries. As a result, in modern conditions the best international practice of taxation may come not from the countries and integration communities that were once distinguished by their

¹⁰ The purpose of the TPP, initially bringing together 12 countries, is to reduce tariff barriers and regulatory simplification internal regulations (including tax regulations) in the participating countries in the field of labor relations, environmental protection, protection of intellectual property rights and other areas.

intellectual dominance in the field of taxation. A good chance to become “trendsetters” in taxation in the circumstances, have other nations of the world, including China and the Russian Federation which significantly enhancing its position. In instance, Russian experience in the application of the flat rate personal income tax has become a real case for international textbooks in public finances.

Finally, it is clear that significant religious change in the world that violate current balance between traditional religions, also will be reflected in the implementation of tax policy in different countries and regions of the world in some time. First of all, we should note a growing proportion of the followers of Islam in the world as a whole and in individual States and Metropolitan areas in particular¹¹. After these circumstances, the Islamic model of taxation in the center of which is *zakat* as an analogue of not only the tax but also social obligations, will become increasingly popular, including those countries that are still considered Christian. Some Russian regions in this context could also be under consideration as grounds for the Islamic taxes application.

As a result, the national tax policy is currently experiencing a significant influence of global factors, adapting to them. Some of the newest factors of the global turbulence and instability cause rather negative than positive changes in national tax systems, disrupting the current level of international tax cooperation.

Russian tax policy: before and after 2018

2017 year in Russia is declared as the year of discussions about what would the tax policy of the country after the Presidential elections of 2018 be. It should be noted that, unlike other areas in the field of taxation in the Russian Federation throughout the XXI century relatively small amount of mistakes was made. The

Russian tax reform of the beginning of 2000s became one of the best in the world and Russian experience of application of “flat rate” of personal income tax has become one of the most popular [13]. Even taking into account the global economic crises of 2008–2009, the Russian tax system endured it and its initial consequences better than tax systems of other countries of the world, since the adjustment of tax policies (including reducing rates of corporate profit tax) were fast and reasonable. The Table 2 (see the Table 2) shows tax competitive advantage of the Russian Federation in comparison with the leading developed countries of the world (Group of 7, G7) and other BRICS countries according to the 2016 World Bank’s Doing Business Report¹².

However, the new challenges facing the national tax system require corresponding changes in the character of the tax policy. Despite the priority for regulating (simulating) role of taxation in Russia, there is also growing demand for regulatory and fiscal role of taxes. Taking into account aging of population and slow rate of economic growth some representatives of the Russian elite insist on the idea of the inevitability of tax increases in conditions when the potential reduction in public spending is clearly insufficient, and the decision to increase the retirement age of the population ahead of parliamentary and presidential elections has been postponed. Given the latest circumstances, the emphasis should be made on some potential improvement of the tax system of Russia.

First, the Russian tax policy after 2018 may correspond to trends of a number of OECD member States, namely:

- *decrease of tax burden* declared by the government of the Russian Federation will stimulate employment and entrepreneurial activity, especially when the output in the economy is moving to the growth trajectory;

¹¹ The Future of World Religions: Population Growth Projections, 2010–2050. Pew Research Center. Religion & Public Life. 2015. April, 2. Available at: <http://www.pewforum.org/2015/04/02/religious-projections-2010-2050/>

¹² Doing Business 2016: Measuring Regulatory Quality and Efficiency. The World Bank, 2015. 348 p. Available at: <http://www.doing-business.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

Table 2

Paying taxes 2016 rating: G7 and BRICS countries in comparison

| Country | Ease of business doing rating | Taxation | | | | | | |
|----------------|-------------------------------|-----------------------|------------------------------|--|--------------------------------|----------------------------|--|---------------------------|
| | | Tax moderation rating | Tax payments (number a year) | Time spent to tax reporting (hours per year) | Overall tax rate (% of profit) | Profit taxes (% of profit) | Wage taxes and collections (% of profit) | Other taxes (% of profit) |
| Canada | 14 | 9 | 8 | 131 | 21.1 | 3.9 | 12.7 | 4.5 |
| United Kingdom | 6 | 15 | 8 | 110 | 32.0 | 19.2 | 11.2 | 1.6 |
| South Africa | 73 | 20 | 7 | 200 | 28.8 | 21.7 | 4.0 | 3.1 |
| <i>Russia</i> | 51 | 47 | 7 | 168 | 47.0 | ... | ... | ... |
| United States | 7 | 53 | 10.6 | 175 | 43.9 | ... | ... | ... |
| Germany | 15 | 72 | 9 | 218 | 48.8 | 23.2 | 21.2 | 4.4 |
| France | 27 | 87 | 8 | 137 | 62.7 | 0.5 | 53.5 | 8.7 |
| Japan | 34 | 121 | 14 | 330 | 51.3 | ... | ... | ... |
| China | 84 | 132 | 9 | 261 | 67.8 | ... | ... | ... |
| Italy | 45 | 137 | 14 | 269 | 64.8 | 19.5 | 43.4 | 1.9 |
| India | 130 | 157 | 33 | 243 | 60.6 | ... | ... | ... |
| Brazil | 116 | 178 | 9.6 | 2 600 | 69.2 | ... | ... | ... |

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency. The World Bank, 2015. 348 p. Available at: <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

- *shift in taxation from business profit towards labor and consumption* can make entrepreneurial activity (especially activities of a creative nature which not aimed at conspicuous consumption) more attractive from the fiscal point of view;

- *activation of the regulatory (stimulating) role of taxation* in contrast to the fiscal one will be able to give a new impetus to the development of the national economy.

Statistical data of the Ministry of Finance of the Russian Federation (see the Table 3) indicates that during 2009–2015 years (especially in 2013–2015) there was a tendency to decrease of both fiscal and tax burden while proportion of value-added tax and social security tax revenues to GDP were growing. Simultaneously it is possible to observe a decrease in profit tax contributions to consolidated budget of the Russian Federation starting 2012 (this situation changed a little bit in 2014 and 2015). All this underlines the similarity of the trends in the Russian tax policy to the same processes in the majority of the OECD countries. Also we can observe a radical decline in custom duties collection to the budget what was the result primarily because of lower prices for main export commodities of Russia such as oil and gas, and also due to the influence of the geo-

political factors that led to the reduction of imports because of sanctions and the policy of import substitution. It can be expected that in the short and medium term period, these trends in the Russian tax policy, defining the structure of tax revenues to the consolidated budget will continue.

Secondly, among top challenges of structural character for the Russian tax system is the technological weakness of the country. Therefore the tax policy of the Russian Federation after 2018 should be focused on priority of the innovative character problems solving, including creation of special tax incentives for financing of fundamental and applied R&Ds, as well as for enterprises and clusters, contributing to the creation of innovative products and technologies, particularly in the private sector of the national economy. One of the good opportunities to do so is to step up appropriate tax incentives for existing and newly established special economic zones and priority development areas, including taking into account the prospects for the implementation of large international investment and infrastructure projects such as the “One Belt One Road” initiative of China (The Silk Road Economic Belt and the XXI century Maritime Silk Road). Some regions of the Russian Federation

Table 3

**Budget revenues of the consolidated government of the Russian Federation,
2009–2015 (percent of GDP)**

| Revenue | Years | | | | | | | Vector of changes, 2013–2015 |
|--|-------|-------|-------|-------|-------|-------|-------|------------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | |
| Fiscal burden (taxes and non-taxes payments) | 31.50 | 31.79 | 35.15 | 33.08 | 32.57 | 32.57 | 30.77 | ▼ |
| Tax burden (tax incomes and payments) | 30.88 | 31.12 | 34.50 | 32.49 | 31.80 | 31.90 | 30.17 | ▼ |
| Non- oil and gas tax incomes | 22.69 | 22.48 | 23.75 | 22.12 | 21.86 | 21.72 | 22.54 | ▲ |
| Profit tax | 3.26 | 3.83 | 4.06 | 3.52 | 2.92 | 3.05 | 3.22 | ▲ |
| Personal income tax | 4.29 | 3.87 | 3.57 | 3.38 | 3.52 | 3.47 | 3.47 | ▼ |
| Value-added tax | 5.28 | 5.40 | 5.81 | 5.30 | 4.98 | 5.06 | 5.24 | ▲ |
| Social security tax | 5.93 | 5.35 | 6.30 | 6.13 | 6.61 | 6.46 | 6.98 | ▲ |
| Custom duties | 6.52 | 6.74 | 8.25 | 7.62 | 7.00 | 7.09 | 4.16 | ▼ |

Source: Ministry of Finance of the Russian Federation. Available at: http://www.minfin.ru/ru/documents/?id_4=116206.

which already showed good results in its economic and technological development in the period, when its implied significant tax and customs benefits (including Kaliningrad region and some territories of the Russian Far East) could resume using expanded tax privileges ones more.

Thirdly, the Russian fiscal policy should maintain the continuity of 2000–2017 years in types of taxes, their rates and procedures of collection and control that has not received serious complaints from the business community, citizens and government agencies. Of course, the tax system of the Russian Federation needs some changes, but, in our view, the greatest successes of it are guaranteed by measures which could provide the simplification and de-bureaucratization of the taxation. Among the administrative procedures for the collection of taxes should prevail those, which are most friendly towards taxpayers and those costs for the budget are cheaper. In addition, it should consider the interest of the regions of the Russian Federation to implement their own tax policy in terms of a number of taxes (including PIT and property taxes), the collection of which is under the competence of local authorities.

And, finally, the improvement of Russian tax system is impossible without further development of cooperation between the Russian Federation and other

national and international institutions of tax regulation. Active participation of Russia in implementation of measures under the auspices of the OECD and the G20 to combat international tax evasion and aggressive tax planning undoubtedly brings positive results and is expected to be continued. The priorities in this direction are the creation and further development of national legal frameworks for international information exchange in tax matters, as well as a phased implementation of a package of measures identified in the BEPS Actions Plan (Russia, as it known, should start to apply the automatic exchange of country-by-country report in taxation based on the OECD Convention on Mutual Administrative Assistance in Tax Matters starting in 2018 as well as should realize the BEPS Actions Plan also starting in 2018. This is expected to bring tangible benefits both to Russian fiscal authorities and to national tax administrations of other interested countries.

However, it should be recognized that with all the desire of the President of the Russian Federation and the Russian Government to make the Russian tax system modern, appropriable to the best world practice and attractive for business and citizens, just non-tax factors seriously impede that. Nevertheless, if use the confidence and stability, characterized to rela-

tionship between the State, business and civil society in tax sphere in the Russian Federation, to build other interactions in the national economy and policy space as well as to use so friendly institutions of State regulation as the Federal Tax Service of Russia, it could be possible to achieve better results and positive changes in other areas as well.

Conclusion

Based on the foregoing, we can summarize following results relate to development of both national tax systems and national tax policies (including appropriate policy findings for the Russian Federation):

- the best in modern conditions of the system of international economic relations development is such a tax policy, which is focused on the regulating (stimulating), and not on the fiscal role of taxes;
- the process of intensive international cooperation in tax matters which start-

ed just after beginning of the recent global economic crisis is developing quite successful and is involving in its orbit more and more countries;

- a modern national tax system at the present time is influenced by a large number of transformational factors (including global ones), which are reflected accordingly in the national tax policy;
- tax policy of Russia ahead of the presidential elections in 2018 and after them should be continuity to the period 2000–2017 years, considering appropriate progressive global trends;
- taking into account notable successes in the implementation of tax policy of the Russian Federation in the first and second decades of the XXI century, including the growing character of international cooperation in tax matters by multilateral basis under the auspices of the OECD and G20, indicates that such a practice should be spread to other spheres of the national economic policy.

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