

ANSWER(s)

2. Social Sciences

Bird and Gendron rightly and repeatedly **stress** that VATs differ quite fundamentally. This **makes** statements about the merits or otherwise of “the VAT” relative to other taxes (which of course show similar variety) dangerous: a bad VAT may be worse than a good tariff, and a bad tariff worse than a good VAT. While broad comparisons across tax instruments can thus be an overly simplistic guide to policy making—no tax **is** perfect—thinking them through can help understand the instruments’ intrinsic strengths and limitations.