

**Meggy Katigbak**

**THE PRINCIPLES FOR HUMAN RIGHTS IN FISCAL POLICY IN THE CONTEXT OF TAX REFORMS IN THE GLOBAL SOUTH**

**December 2021**



INITIATIVE FOR PRINCIPLES FOR  
**HUMAN RIGHTS**  
IN FISCAL POLICY



This paper was commissioned by the Initiative for Human Rights Principles in Fiscal Policy



INITIATIVE FOR PRINCIPLES FOR  
**HUMAN RIGHTS**  
IN FISCAL POLICY

## LIST OF ABBREVIATIONS

- ADB** Asian Development Bank  
**APMDD** Asian Peoples' Movement on Debt and Development  
**ATAF** African Tax Administration Forum  
**BEPS** Base Erosion and Profit Shifting  
**BRICS** Brazil, Russia, India, China, South Africa  
**CBGA** Centre for Budget and Governance Accountability  
**CESR** Center for Economic and Social Rights  
**CIT** Corporate Income Tax  
**CSO** Civil Society Organization  
**DST** Digital Services Tax  
**FACTI** High Level Panel on International Financial Accountability, Transparency, and Integrity  
**FTC** Financial Transparency Coalition  
**GATJ** Global Alliance for Tax Justice  
**G20** Group of 20 Nations  
**G24** Group of 24 Nations  
**G77** Group of 77 Nations  
**GloBE** Global Anti-Base Erosion Rules  
**GST** Goods and Services Tax  
**ICIJ** International Consortium of Investigative Journalists  
**ICRICT** Independent Commission for the Reform of International Corporate Taxation  
**IFI** International Financial Institutions  
**IMF** International Monetary Fund  
**MNC** Multinational Corporation  
**OECD** Organization for Economic Co-operation and Development  
**PCT** Platform for Collaboration on Tax  
**PE** Permanent Establishment  
**PSI** Public Services International  
**RJFALC** Red de Justicia Fiscal de América Latina y el Caribe  
**SAAPE** South Asia Alliance for Poverty Eradication  
**SDG** Sustainable Development Goals  
**TAFJA** Tax and Fiscal Justice Asia  
**TJN** Tax Justice Network  
**TJNA** Tax Justice Network Africa  
**UN** United Nations  
**UN ECOSOC** United Nations Economic and Social Council  
**UNFfD** United Nations Financing for Development  
**UNGA** United Nations General Assembly  
**UNTC** United Nations Tax Committee  
**VAT** Value Added Taxes



## I. Introduction

In sickness, health, growth, life, and even in death, only one thing in this world is certain: taxes<sup>01</sup>. The former United States (US) Supreme Court Justice Oliver Wendell Holmes said famously in 1927 that “taxes are what we pay for (a) civilized society” (Holmes as cited in The Herald Sun, 2017). Taxes are an inherent feature of a representative government which, in turn, is a cornerstone of the current neoliberal society that dominates our world today.

All facets of our economic life are covered by some form of tax, whether direct or indirect. The goods and services that we purchase such as food, beverage, clothing, medicine, doctor’s consultations, technology, services, and other commodities necessary for one’s nourishment, education, health, work, and general wellness and happiness are subject to consumption taxes such as Value Added Taxes (VAT) or Goods and Services Tax (GST) that are indiscriminate in how they are applied. Local produce are taxed through excise, export, or sales tax, and labor is taxed through income tax in the formal sector. Even the very ground we stand on is governed by some form of property tax or rent.

Every economic decision that we make, which is to say, almost every decision that we make in our lives, is billed by governments through taxes. As custodians of the Peoples’ money and resources, the right to control these resources rests on a covenant between the People and its public officials that governments mobilize for just, inclusive, and sustainable development. Furthermore, a state’s right to tax should be in congruence with its duty to provide basic health, education, water, electricity, social, and all services necessary for every individual to fully enjoy their human rights. This obligation should be reflected and fulfilled through its fiscal policies (Asian Peoples’ Movement on Debt and Development, 2019; Principles for Human Rights in Fiscal Policy, 2021; Tax and Fiscal Justice Asia, n.d.).

A direct result of colonization was the liberalization of the economy of former colonies and the adoption of tax systems that were necessary for their ‘civilization’.

*“Old practices of revenue farming were eliminated over the last decades of the 19<sup>th</sup> century and early 20<sup>th</sup> century in favor of more ‘modern’ revenue systems relying on trade taxes, on domestic excises and sales taxes and in some cases on corporate and individual income taxes.”*  
(Booth, 2013)

A big part of the colonialist legacy is their control and influence in economic policies in the global South. Though decades old, policies and institutions that were formulated to assert the political, economic, and cultural dominance of former colonizers remain pervasive in the former colonies. These policies, such as in trade and tax, have facilitated

the transfer of wealth and resources from countries in the global South to wealthy countries in the North (Tax Justice Network, 2020).

Such a system resulted in massive inequality within and among nations and have had damaging effects to countries in the global South, most of which are former colonies, economies and sovereignty. Economic policies prescribed by International Financial Institutions (IFIs) and adopted by governments in the global South have allowed Multinational Corporations (MNCs) to plunder their resources dry and exploit their labor. These exploitative practices involve the opening of trade barriers and the transformation of developing countries into export and service-oriented economies by IFIs including standard bearers of neoliberal policies like the International Monetary Fund (IMF) and the World Bank.

It is clear that the current neoliberal model put forth by the United States (US), United Kingdom (UK), and other developed countries in the North and institutionalized through the IMF and World Bank mostly seek to serve the interest of wealthy countries and MNCs, most of whom are headquartered in their jurisdictions. It has allowed them to significantly erode the tax base of developing countries, obstructing their government’s ability to raise tax revenue and to fulfill its duties to its people. Prioritizing profit over people violates the human rights of citizens, especially from the global South, and especially of the most economically vulnerable such as women, farmers, fisherfolk, unorganized workers including disguised workers, indigenous people, and all people from marginalized sectors who should benefit from fiscal policies that should seek to redistribute wealth and which should be *“free from undue influence from corporations or those working to further their interests in fiscal matters over the realization of human rights”* (Principles for Human Rights in Fiscal Policy, 2021).

Just and equitable fiscal policies are needed now more than ever as the world grapples to rise above the COVID-19 pandemic and its devastating consequences to the lives and livelihood of billions of people in developing countries. Mobilizing domestic resources and widening the tax bases of developing countries are essential for governments to attain their human rights obligations through fiscal measures. The pandemic has further exposed the crippling effects of a broken global financial system that has led to the intense suffering of people from the global South.

It is ironic that the basis and logic behind tax systems in the global South should originate from neoliberal policies borne out of the liberal movement that dominated political thought in the U.S. and which birthed its constitution. Such

01 | Wordplay on the famous quote by Benjamin Franklin written in his letter to Jean-Baptiste Le Roy where he talks about the new U.S. constitution; “Our new Constitution is now established, everything seems to promise it will be durable; but, in this world, nothing is certain except death and taxes” (National Constitution Center, 2020).



history set a precedent for our global economy which facilitates the unregulated accumulation of wealth, and which has so far led to mass poverty and inequality, especially in the global South. It has left developing countries to grapple with the issue of how to meet the financial needs of saving lives while sustaining the economy amidst a pandemic.

This document seeks to position human rights at the center of the discussions on international tax reforms by leveraging the Principles for Human Rights in Fiscal Policy (2021), developed by a committee of twelve experts and a consortium of regional and international organizations whose secretariat was led by the Center for Economic and Social Rights (CESR). It will also focus on the priorities of countries in the global South and their sovereign right to collect tax revenue for their development agenda and to fulfill their human rights obligations.

To fulfill its human rights obligations, governments need to address loopholes in tax policies which exacerbate inequality among nations and promote the plunder of wealth in developing countries at the hands of Multinational Corporations (MNCs). These policies go against the principles highlighted in the Principles for Human Rights in Fiscal Policy. The document, which advances 15 principles, highlights the need for *“economic policies to be compatible with human rights”* (Principles for Human Rights in Fiscal Policy, 2021). It discourages any activity that impedes a government’s ability to fulfill its human rights obligation to its people, and their obligation towards other States.

As the document shows, the current global tax system, which is inherently unjust, is in need of substantive change. As succinctly stated by Dr. Carlos M. Correa, executive director of the South Center:

*“A substantive reform of the global tax system involving a variety of multilateral platforms is underway. The question is not whether tax standards and practices will change, but in which direction.”* (Correa as cited in Akhtar et al., 2019)

Indeed, major reforms are currently being discussed internationally, led by the Organisation for Economic Co-operation and Development (OECD) and the Group of 20 (G20 countries) who consist of countries with the largest economies in the world. Among the members of the OECD and G20 are countries that ran colonies from across the globe. The OECD and G20 countries are currently leading the discussions on a global tax deal consisting of a two-pillar solution to address the tax challenges arising from the digitalization of the economy.

However, the current deal being negotiated at the OECD/G20 level has been called out on its undemocratic process

and how it blatantly ignores the concerns and demands of countries from the global South. The deal, which stands to affect about 141 jurisdictions, is shaping up to be a global tax deal of the rich who are steering the direction of global tax reforms in their favor.

Countries and Civil Society Organizations (CSOs) from the global South and allies in the global North have been lobbying for discussions on global taxation to shift from the OECD process to a more democratic space in the United Nations (UN).

Upgrading the UN Tax Committee to an intergovernmental body was proposed by the Group of 77 (G77) nations and China at the UN Financing for Development (UNFFD) conference in 2015. This proposal, however, was blocked by richer countries like the US and the UK, stating that current discussions were already being led by the OECD (Inman, 2015).

CSOs and the G77 countries continue to clamor for an intergovernmental tax committee under the auspices of the UN, knowing that such a process will better represent the interest of developing countries in the global South (Financial Transparency Coalition et al., 2015).

The UN currently hosts a Committee of Experts on International Cooperation in Tax Matters which is tasked with policy dialogue and proposals for international tax cooperation. However, it is not an intergovernmental process that sets standards on global tax policies.

In an effort to strengthen international tax cooperation and to enhance technical assistance, capacity building, and information sharing, the Platform for Collaboration on Tax (PCT) was launched in 2016 and hosts the staff and secretariat of the OECD, IMF, World Bank, and UN (Montes & Rangaprasad, 2018). What was ideally an attempt to foster cooperation that promotes balanced discussions has been examined to be yet another platform for the OECD to enforce its own standards on the international community. While the OECD is represented in all four organizations, the UN, which should represent the interest of developed and developing countries alike, faces political complications in its consensus-building among its members. What evolved out of this political setup are outputs and positions that do not include UN agreements, because such an agreement was not reached (Montes & Rangaprasad, 2018).

The following sections of this paper will discuss in more detail the current state of international tax reforms, how the global South is positioned in the discussions of these reforms, and how the Principles for Human Rights in Fiscal Policy document can be used in these discussions.

## II. Global Discussions on International Tax Reforms

### A. Policy Action and Discussions Led by the OECD and G20

#### a | An overview of the jurisdictions involved in the Inclusive Framework

When it comes to global taxation, the OECD is the major body that sets universal standards and pushes forward taxation agendas. The advantage of having the OECD play this role lies in the fact that this organization has all the technical resources to meet these objectives.<sup>02</sup>

Present discussions and negotiations on international tax reforms are currently being led by the OECD through its Inclusive Framework on Base Erosion and Profit Shifting (BEPS) where 141 jurisdictions have committed to the discussion and implementation of 15 actions to curb and address massive leakages--- estimated at 100-240 billion USD, in global tax revenue (OECD, 2013). Approximately 57% of the member jurisdictions of the OECD BEPS process are from regions in the global South.

BEPS takes away a country's right to tax wealth and profit where it is generated and it impedes its ability to mobilize resources to secure human rights, combat inequality and to achieve the sustainable development goals (SDGs). It stands in the way of a state's duty to perform its human rights obligations to provide free, accessible, and adequate

public services for its citizens to develop their full human potential. The BEPS 15-point Action Plan, published in 2013, runs along three pillars: *"introducing coherence in the domestic rules that affect cross-border activities, reinforcing substance requirements in the existing international standards, and improving transparency as well as certainty"*. It sought to *"provide countries with domestic and international instruments that will better align rights to tax with economic activity"* (OECD, 2013).

#### b | A brief explanation of the OECD BEPS Action Plan

The OECD established its Inclusive Framework on BEPS in 2016-three years after the OECD released its Action Plan on BEPS, under the mandate of the G20 (Mosquera Valderama, 2015; OECD, 2021c). Its Action Plan on BEPS (table 1) was agreed upon by the BEPS 44, a group of nations comprising the OECD countries, its accession countries, and the G20 countries, whilst developing countries were involved in the process as consultants (Mosquera Valderrama, 2015). Of the 15 actions, the 141 member-jurisdictions<sup>03</sup> of the BEPS process are obligated to implement four (4) actions set as its minimum standards. These minimum standards are Actions 5, 6, 13, and 14 (see table 1).

**Table 1:** OECD Action Plan on Base Erosion and Profit Shifting (BEPS)

<b>ACTION 1</b>	<b>Address the tax challenges of the digital economy</b>
<b>ACTION 2</b>	<b>Neutralize the effects of hybrid mismatch arrangements</b>
<b>ACTION 3</b>	<b>Strengthen controlled foreign company (CFC) rules</b>
<b>ACTION 4</b>	<b>Limit base erosion via interest deductions and other financial payments</b>
<b>ACTION 5</b>	<b>Counter harmful tax practices more effectively, taking into account transparency and substance</b>
<b>ACTION 6</b>	<b>Prevent treaty abuse</b>
<b>ACTION 7</b>	<b>Prevent the artificial avoidance of permanent establishment (PE) issues</b>
<b>ACTION 8</b>	<b>Assure that transfer pricing outcomes are in line with value creation - Intangibles</b>
<b>ACTION 9</b>	<b>Assure that transfer pricing outcomes are in line with value creation - Risks and capital</b>

02| However, as the OECD is an organization ultimately controlled by 37 of the world's richest countries, there is very little representation in their policy recommendations for the concerns of developing countries. More of this will be discussed in the latter parts of this document.

03| Mauritiana recently joined the OECD IF on BEPS and agreed to the two-pillar solution this November, 2021 (OECD, 2021d).



<b>ACTION 10</b>	Assure that transfer pricing outcomes are in line with value creation – Other high-risk transactions
<b>ACTION 11</b>	Establish methodologies to collect and analyze data on BEPS and the actions to address it
<b>ACTION 12</b>	Require taxpayers to disclose their aggressive tax planning arrangements
<b>ACTION 13</b>	Re-examine transfer pricing documentation
<b>ACTION 14</b>	Make dispute resolution mechanisms more effective
<b>ACTION 15</b>	Develop a multilateral instrument

Source: Action Plan on Base Erosion and Profit Shifting (OECD, 2013)

Though the BEPS process includes 141 countries and jurisdictions, it is not an initiative that seeks to change international tax standards. As stated in the OECD Action Plan on Base Erosion and Profit Shifting:

*“This Action Plan is focused on addressing BEPS. While actions to address BEPS will restore both source and residence taxation in a number of cases where cross-border income would otherwise go untaxed or would be taxed at very low rates, these actions are not directly aimed at changing the existing international standards on the allocation of taxing rights on cross-border income.” (OECD, 2013)*

### c | The OECD’s Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy

In its effort to maintain its leadership in setting international tax standards and acknowledging that there remain some gaps in its IF on BEPS, the OECD/G20 released a statement

in July 2021 on a two-pillar solution to address the tax challenges arising from the digitalization of the economy (OECD, 2021a). Its two-pillar solution, currently the most significant proposal aimed at redefining the international tax rules in almost a century (ATAF Communication, 2021), will seek to ensure that MNEs pay their fair share of taxes by ensuring that the profits of the largest, most profitable multinational corporations (MNCs) will be re-allocated to market jurisdictions (Pillar 1) and that MNEs will be taxed a minimum rate of 15% (Pillar 2) (OECD, 2021b).

Of the 141 members of the OECD/G20 IF on BEPS, 137<sup>04</sup> members have officially agreed to join the new framework put forth by the OECD/G20 through its two-pillar solution. Its detailed implementation plan targets to ratify most of the parameters that will enforce the two-pillar solution by 2023 (Kiès et al., 2021; OECD, 2021a). Below are some of the features and concepts behind the two-pillar solution:

**Table 2:** OECD/G20 Two-Pillar Solution Features and Concepts)

PILLAR 1	PILLAR 2
<b>Amount A:</b> taxation rights over 25% on residual profit (10% pre-tax profit margin) of <b>in-scope companies</b> (MNC’s with a global turnover above EUR 20 billion)	<b>GloBE Rules</b> which include the income inclusion rule (IIR), the switch-over rule ( <b>SOR</b> ), the undertaxed payment rule ( <b>UTPR</b> ), and the subject to tax rule ( <b>STTR</b> ). The GloBE rules will ensure that the profits of MNEs in any jurisdiction are subject to at least a minimum effective tax rate of 15%.
<b>Amount B:</b> Simplified and streamlined transfer pricing (based on the arm’s length principle) for baseline marketing and distribution activities (more details to be released by the end of 2022)	The GloBE rules will apply to MNC’s with a EUR 750 million threshold (under BEPS Action 13)





PILLAR 1	PILLAR 2
<p>Extractives industry and financial services are excluded from the features of Pillar 1<sup>05</sup> Digital Service Taxes will be removed</p>	<p>Entities not subject to the GloBE rules: government entities, international organizations, non-profit organizations, pension funds or investment funds that are Ultimate Parent Entities (UPE) of an MNE Group or any holding vehicles used by such entities, organisations, or funds</p>

Sources: European Union: Agreement On Pillar One And Pillar Two Global Tax Reform (Kiès et al., 2021) and Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy (OECD, 2021b)

The Pillar 1 solution focuses on taxing rights and the allocation of tax revenue to market jurisdictions. The current structure of this pillar will allow for the residual profit (10% pre-tax profit margin) of MNCs with a global income above EU 20 billion (in-scope MNCs) to be taxed at a rate of 25% (Amount A). The allocation of Amount A to market jurisdictions from in-scope MNCs will be made possible through the new special purpose nexus rule if the in-scope MNE will receive at least EU 1 million in revenue in that market jurisdiction (OECD, 2021b).

The Pillar 2 solution aims to set a global minimum corporate tax rate, currently set at 15%, which will be implemented by a set of rules under the Global anti-Base Erosion Rules (GloBE).

They will apply to MNEs with a EU 750 million threshold.

The OECD is targeting its global tax rule to come into force by 2023. Some experts express doubts about the OECD's timeline (Galligan et al., 2021) as this requires a complete overhaul of unilateral measures that some countries such as India, New Zealand, Indonesia, and others have implemented in the past two years to address BEPS issues. Such measures include the implementation and/or negotiation of a digital service tax (DST) for India and New Zealand respectively and the expansion of the definition and parameters on what constitutes a "permanent establishment" (PE) which is pertinent to the reallocation rules of Pillar 1 (Kaur & Watkins, 2020).

## B. Policy Dialogue at the United Nations

### a | A brief description of the UN Tax Committee

Another major body tasked with policy recommendations on issues of domestic and global taxation is the United Nations Committee of Experts on International Cooperation in Tax Matters, commonly known as the UN Tax Committee (UNTC). The UNTC, whose experts are appointed by the UN Secretary-General, hosts a more diverse group of experts who pay special attention to the needs and concerns of developing countries. They take into consideration the policy environment in developing countries to be able to formulate recommendations that are more inclusive.

In accordance with the United Nations Economic and Social Council (UN ECOSOC) resolution 1980/13 of 28 April 1980, the "Ad Hoc Group of Experts on International Cooperation in Tax Matters" evolved out of the 1968 "Ad Hoc Group of Experts on Tax Treaties between Developed and Developing Countries" (United Nations, n.d.-c). Its original mandate, borne out of the UN ECOSOC resolution 1273 (XLII), requests for:

*"... the (UN) Secretary-General to set up an ad hoc working group consisting of experts and tax administrators nominated by the Government, but acting in their personal capacity, both from developed and developing countries*

*and adequately representing different regions and tax systems, with (the) task of exploring, in consultation with interested international agencies, ways and means of facilitating the conclusion of tax treaties between developed and developing countries."* (ECOSOC Resolution 1273 as cited in United Nations, n.d.)

The updated mandate of the UNTC is inscribed in the ECOSOC Resolution 2004/69 where it states that the Committee is tasked with the promotion of international tax cooperation by providing a framework for dialogue among national tax administrators. It is also mandated to provide policy recommendations on international tax cooperation and capacity-building mechanisms for developing countries in need of technical assistance (UN ECOSOC, n.d.).

As mentioned in the introduction, due to the limited capacity of the UNTC, governments and CSOs in the global South and allies in the global North continue to clamor for an intergovernmental tax body under the auspices of the UN. Such proposals are aggressively being blocked by the OECD/G20 countries, insisting that such a process is being led by the OECD. However, given the lack of representation of the interest of developing countries in the global South, the resounding call for the OECD to share their technical

05| The contentions on the OECD Inclusive Framework and the two-pillar solution will be discussed in later sections.



assistance under a UN-led Tax process remains among the main demands of the tax justice movement.

On a regional level, the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) proposed a region-wide tax cooperation platform. Asia and the Pacific remains to be the only region in the global South without a regional platform for collaboration on tax (UN ESCAP, 2019). The proposal was blocked by OECD/G20 countries such as Japan and Russia, echoing the US and UK's statement that it will only duplicate the OECD process. Less than two years later, the Asian Development Bank (ADB) announced its plans to establish an Asia Pacific Tax Hub to promote the OECD BEPS process within the region (ANI, 2021).

## b | The FACTI Panel Report

In its effort to support and contribute to the work of its member-states to achieve the sustainable development agenda, the United Nations General Assembly (UNGA) and the UN ECOSOC convened the High-Level Panel on International Financial Accountability, Transparency, and Integrity for Achieving the 2030 Agenda (FACTI Panel) in March, 2020. The UN FACTI Panel is "mandated to review current challenges and trends related to financial accountability, transparency, and integrity, and to make evidence-based recommendations to close remaining gaps in the international system." (FACTI Panel, 2021)

The FACTI Panel report offers a clear insight into the magni-

tude of the issue on IFFs while offering 14 recommendations for achieving global financial accountability, transparency, and integrity. It highlighted the massive amount of wealth and resources that are plundered from source countries into the pockets of wealthy individuals by painting a picture of how such resources could be used by people from developing countries who suffer most from illicit financial flows (IFFs). These are figures as huge as \$7 trillion hidden by wealthy individuals in tax haven countries and as much as \$500-600 billion lost each year due to profit-shifting activities (FACTI Panel, 2021; Financial Transparency Coalition, 2021). Resources that are amassed by MNEs and wealthy individuals which erodes the tax bases of developing countries could have gone to the provision of water, health, education, and other services which are desperately needed by people of the global South.

The loopholes which MNEs and wealthy individuals exploit to illicitly accumulate wealth, summed up as tax injustice, led the UN FACTI Panel to propose policies and recommendations to combat such acts. Among the recommendations highly praised by CSOs and countries from the global South are recommendation 14 on global governance which proposes to set up a UN Tax Convention, recommendation 4 which proposes a global minimum corporate tax between 20%-30% on corporate profits, and recommendation 6 which proposes standards to hold enablers (accountants, lawyers, financial experts, governments, etc.) accountable for their promotion of IFFs (FACTI Panel, 2021; Financial Transparency Coalition, 2021).

## C. International Tax Reforms in the Global South

### a | Reactions from the global South on the current processes being stirred by the OECD/G20

Though some developing countries currently rely on the technical support provided by the OECD Inclusive Framework on BEPS, strong voices from the global South question the legitimacy of its 15 Actions and whether the BEPS process is truly 'inclusive'. Academics and tax justice advocates point out that the 15 actions put forth by the 'inclusive framework' were only agreed upon by the BEPS 44 and that developing countries, excluding Brazil, Russia, India, China, and South Africa (the BRICS countries) who are part of the G20, were only given consultative status (Mosquera Valderama, 2015).

Countries from the global South have also decried the continuation of the control and hegemony of rich, developed nations in the current negotiations on international tax reforms. Contributions from countries in the global South, those who benefit more and have greater need for corporate income taxes (CIT) and who lose more from BEPS activities and IFFs (Oelofsen, 2021), were found to be "under-reported at best and ignored at worst" (Chowdhary, 2021). This sets a dangerous precedent for the ongoing discussions on

the two-pillar solution with binding agreements between jurisdictions, as it is setting the international tax system up for another cycle of dominance at the hands of former colonizers. What is more, as reported by the South Centre:

*"Negotiators have revealed on condition of anonymity that countries were given an 'accept all or reject all' ultimatum and so were forced to accept, even if they deeply disagreed with many aspects of the Two Pillar solution. It points to a larger systemic problem with the OECD's 'consensus' approach to decision-making." (Chowdhary, 2021)*

Four developing countries, namely Sri Lanka, Kenya, Nigeria, and Pakistan, have refused to sign the global tax deal (Colombo Gazette, 2021). As per Gbonjubola from Nigeria's Federal Inland Revenue Service, "the truth is that there's little or no money coming from either pillar 1 or pillar 2 to developing countries" (Gbonjubola as cited in Mureithi, 2021). Kenya expressed its reservations about the Pillar 1 agreement. They are unwilling to remove their digital services tax (DST) in place of the pillar one solution of reallocating taxing rights of the wealthiest corporations to market jurisdictions. As it stands, Kenya is able to tax 89 companies through DST's whereas the pillar one solution will only apply to 11 compa-





nies (Mureithi, 2021).

Kenya is not the only developing country who is projected to lose certain taxing rights through the two-pillar solution. Oxfam International estimates that of the 60,000 MNCs worldwide (World Atlas of Global Issues, 2018), only 69 MNCs will fit the criteria under the Pillar 1 solution (Oxfam International, 2021) on re-allocating taxing rights. What is more, these 69 companies will only pay more in taxes on residual profit ('super profits' above 10%). Voices from the global South are demanding that the re-allocation of a portion of MNC profit under the Pillar 1 solution should not only include residual profit but the total profit of these corporations (Chowdhary, 2021). The Global Alliance for Tax Justice (GATJ) and the Tax Justice Network Africa (TJNA) have also pointed out that the OECD tax deal will only contribute to greater global inequality as OECD countries, home to only 10% of the world's population, will benefit from 60% of the revenue to be generated from the two-pillar solution (Moreno, 2021 as cited in Tax Justice Network Africa et al., 2021).

The mandatory dispute resolution mechanism under Pillar 1 will also be detrimental to developing countries who cannot afford the huge financial losses that will be incurred should an MNC dispute their taxing rights (Oelofsen, 2021). Such life-saving revenue is desperately needed in the midst of a global health and economic crisis where the poorest and most marginalized in developing countries are suffering from hunger and ill-health, exacerbated by austerity measures that indebted countries are forced to take. This tax certainty rule clearly shows that the OECD still prioritizes the protection of the interest of MNCs over human rights.

The Pillar 2 solution will also obstruct the taxing rights of countries in the global South where MNE income is generated and where the tax revenue from such income is desperately needed to combat inequality and to rise above the COVID-19 pandemic. As source countries, developing countries have greater claim to tax revenue from income generated in their jurisdictions because it is their land, labor, resources, and market that are being utilized and exploited for corporate profit. However, the current structure of the GloBE rules under Pillar 2 which is presently proposing a global minimum tax rate of 15%, are largely skewed towards the interest of developed countries<sup>06</sup>. It accords the 'first claim' on tax revenue to headquarter countries which is more often the developed countries in the global North (Chowdhary, 2021).

Governments and CSOs in the global South are also demanding a minimum corporate tax rate higher than the proposed 15%. The OECD proposal, far lower than the current global CIT rate average of 25%, will only encourage countries to a race to the minimum, as opposed to the "race to the bottom" (Global Alliance for Tax Justice, 2021). As it stands, countries in the global South have very little to gain from the OECD's two-pillar solution. The OECD estimates on tax revenue that developing countries will earn from the

global tax deal only accounts for a fraction of what the FACTI panel report estimates to be the total losses incurred annually due to IFFs.

Though the global tax deal has largely shaped up to be a conversation among rich nations, developing countries are fighting hard to be heard and to have their concerns included in the discussions. Without these tremendous efforts, the entire global tax deal will largely follow all the proposals set forth by the U.S. (Chowdhary, 2021), where the majority of MNE's are headquartered.

## b | The movement for tax justice and the global and regional networks, alliances, and organizations' fight against tax abuse and IFFs

The global movement for tax justice, fiscal justice, and financial accountability, transparency, and integrity is one that is strong in its conviction as well as in numbers. Almost two decades of relentless struggle from grassroots, local, national, regional, and international organizations from the global South and allies in the global North have produced many hard-won gains for the people. There are several organizations working on these issues, each in different capacities and all in a collaborative and concerted effort. More information about some of these international organizations are outlined in **ANNEX A**. This section will provide a brief overview of the movement for tax justice and how organizations, networks, and alliances work and mobilize to fight for tax justice, fiscal justice, and financial transparency.

Human rights sit at the core of the movement for tax justice. These are reflected in the work of networks, alliances, and organizations who are leading the movement. In November 2021, the Tax Justice Network (TJN), the Global Alliance for Tax Justice (GATJ), and Public Services International (PSI) released the 2021 edition of The State of Tax Justice. The report brought to attention the culpability of OECD states in facilitating illicit financial flows (IFFs). Of the estimated US\$483 billion lost in tax revenue each year due to IFFs, OECD countries were found to be responsible for 78% of these losses. The State of Tax Justice estimates that US\$483 billion could provide COVID-19 vaccines to the global population more than three times over. These losses also amount to almost half of the public health budgets of low-income countries (Tax Justice Network et al., 2021). In the State of Tax Justice Report, the TJN, GATJ, and PSI also reiterate the calls of the global tax justice movement to introduce an excess profit tax and wealth tax. Such progressive taxes will ensure that those who have more will pay more taxes to governments in order for them to raise more revenue to fulfill its obligations to its citizens.

In March 2019, the South Asia Alliance for Poverty Eradication (SAAPE), organized the South Asia Regional Workshop

06 | Much like the entire global tax reform process in the previous century until today.



on Taxation and Inequality: The Role of Tax and Spending Policies to respond to Inequality in South Asia. Among the outcomes of the workshop was the Kathmandu Declaration which expressed deep concern over how inequality persists in the region and is exacerbated by the prevalence of regressive taxation. It demanded the representation of marginalized communities such as women and working-class people in decision-making processes and institutions to combat inequality (South Asia Regional Workshop on Taxation and Inequality, 2019).

That same year, the Asian Peoples' Movement on Debt and Development (APMDD), supported by the Financial Transparency Coalition (FTC), hosted the first Asian Conference on Illicit Financial Flows in November, which produced a communiqué entitled "Stopping Robbers and Pirates". The communiqué called out governments and IFIs for encouraging a private-led framework of development and for according priority to the interest of MNCs and their profit-seeking behavior. It emphasized the destructive effects of abusive tax practices engineered by MNCs and how these practices are both caused by and exacerbate extreme inequality (Asian Conference on Illicit Financial Flows, 2019).

Thanks to the intensive campaigning efforts and investigative work of the huge network of organizations working in the global tax justice movement (**ANNEX A**), tax justice, fiscal justice, and financial accountability, transparency, and integrity have all entered, in different capacities, the analysis and campaigning efforts of several organizations working on labor, women, climate change, and other issues in the development sector. The Asian Peoples' Movement on Debt and Development (APMDD) and the Tax and Fiscal Justice Asia (TAFJA) alliance both host working groups on tax and gender justice. These working groups comprise of grassroots organizations led by women and mobilized by APMDD and TAFJA to raise their campaigns for more progressive tax sys-

tems that remove direct and indirect biases against women. APMDD and TAFJA are part of a global campaign organized by the GATJ calling to Make Taxes Work for Women. GATJ and its regional members which mobilize hundreds of organizations around the world conduct regular trainings and events under their tax and gender working group. Among its biggest annual events is the International Women's Day on March 8 where the GATJ mobilizes its members and alliances to promote Tax Justice and Women's Rights through online and public demonstrations.

On 19 November 2020, the GATJ also called for a reprise of its Global Day of Action for Tax Justice in the Extractive Industry. The global day of action brought to attention the egregious acts done by extractives MNCs-- its plunder of natural resources in the midst of a climate emergency and its abuse of national tax systems to shift wealth and accumulate profit in low tax jurisdictions (Global Alliance for Tax Justice, 2020).

The global union federation Public Services International (PSI) brings the issue of tax justice to the global trade union movement. Strong in its membership of 30 million working people, the PSI brings close attention to the need for tax justice to ensure universal access to public services and to end inequality (Public Services International, n.d.). PSI conducts research and engages with several multilateral institutions such as the UN and ILO to represent the interest of its members and to uphold the rights of workers.

As mentioned above, the global tax justice movement is strong in numbers and there are hundreds of organizations around the world who wage several campaigns on tax justice, fiscal justice, and financial transparency in several capacities. This section only covers a fraction of what the movement has been and is currently doing. For more information on some of the organizations, networks, and alliances working in the tax justice movement, please refer to ANNEX A.

### III. Global Discussions on International Tax Reforms

The global tax justice movement proudly hosts discussions and collaboration among a diverse set of networks, organizations, movements, and individuals. Such diversity will inevitably lead to certain disagreements that in no way deters advocates within the movement from working with each other, but these disagreements exist all the same.

Though tax justice advocates may diverge in some paths, there are principles with which most actors within the movement can agree on. Some of these principles can be found in the TAFJA declaration of unity as well as the Principles for Human Rights in Fiscal Policy. The TAFJA declaration stresses that a state's authority to tax goes hand in hand with its obligation to ensure that its fiscal policies serve to "promote, protect, and fulfil the rights of its citizens, uphold equity

and justice, provide for essential services and work for their overall well-being today and in the future" (Tax and Fiscal Justice Asia, n.d.). Likewise, the Principles for Human Rights in Fiscal Policy reiterates that "the realization of human rights must be a fundamental objective of fiscal policy" (Principles for Human Rights in Fiscal Policy, 2021).

Both documents promote the work of CSOs and governments to ensure just and progressive tax policies that are free from the influence of MNEs, wealthy individuals, corrupt government officials, and those who seek to manipulate the system for their own interest of plundering and amassing the wealth and resources of the people. As it stands, the current global financial system brought about by centuries worth of liberal policies and undue influence from former



colonizers have allowed for the unregulated accumulation of wealth at the hands of the privileged few. It resulted to an annual loss of US\$500-600 billion in global tax revenue (FACTI Panel, 2021) which goes into the pockets of wealthy individuals and MNCs. The current OECD global tax deal shows very little change from this broken system and, in fact, seems to only reinforce it by roping developing countries into this binding agreement.

The Principles for Human Rights in Fiscal Policy document also stress the need for progressive taxation in its 3<sup>rd</sup> principle which states that governments must promote *“substantive equality and that all people comply with their duty to pay taxes in accordance with their ability to contribute”* (Principles for Human Rights in Fiscal Policy, 2021). Progressive taxes will ensure the ability of States to *“take measures to generate revenue and manage expenditure in a way that is sufficient to effectively realize rights”* (Principle 10, Principles for Human Rights in Fiscal Policy, 2021) In this light, States must not forego their responsibility of promoting substantive equality, equity, justice, and human rights through fiscal policies by citing their lack of resources, especially when it has not exhausted all means to collect such revenue and when progressive taxation is not in place. States must protect its sovereign right to tax MNEs and wealthy individuals who generate wealth and profit within their jurisdiction to ensure that resources are sufficient to fulfil its obligations. However, the current OECD global tax deal poses a threat to developing countries' sovereign right to tax such entities as it accords the first taxing rights to wealthy, developed nations. Estimates show that countries in the global South have very little to gain from the deal and, in fact, may be a cause for developing countries to lose badly needed revenue through the mandatory dispute mechanism. Countries such as Kenya have also found that there is uncertainty in what can be gained (or lost) in the current tax deal. As it stands, the country currently taxes digital entities under its digital service taxes (DST). However, if Kenya were to agree to the OECD global tax deal and remove its DST under the stipulations in Pillar 1, they will be unable to tax companies such as Uber and Booking.com as these companies do not meet the turnover and profit requirements (Mureithi, 2021).

Argentina has also made its position on the OECD's global tax deal very clear. As Argentine Economy Minister Martin Guzman said in an online conference:

*“We policymakers from developing countries are forced to choose before something bad and something worse, worse is to get nothing and bad is what we are getting... we are not using this opportunity to actually correct one of the most toxic aspects of globalization and digitalization of the economy, which is tax avoidance.”* (Guzman as cited in Thomas, 2021)

Guzman's statement echoes the concerns of CSOs such as GATJ and the Tax Justice Network (TJN) that the OECD global tax deal is shaping up to be a “tax deal of the rich” rather than a solution to the tax challenges arising from the digitalization of the economy.

The Group of 24 (G24) countries and the African Tax Administration Forum's (ATAF) both demanded revisions to the stipulations in the Pillar 1 solution. They echoed the concerns of governments and CSOs in the global South who found the parameters for the reallocation rule deeply concerning. Instead of reallocating the residual profit of MNCs, the G24 and ATAF insisted that a portion of the total profit of MNCs be reallocated to market jurisdictions (Chowdhary, 2021). To better align with the Principles for Human Rights in Fiscal Policy's 13<sup>th</sup> principle on international assistance and cooperation and the extraterritorial human rights obligations of states, the OECD and G20 must prove the inclusivity of its processes (which it insists upon) and remove any and all barriers that block the participation of countries in the global South in the negotiation of the current global tax deal. Allowing the global South to negotiate a deal that represent its interest will also allow developing countries to fulfill its fiscal and human rights obligations to its people.

The document's 7<sup>th</sup> principle also reiterates the call of CSOs and countries in the global South for more *“inclusive, broad, transparent, and deliberative social dialogue processes, based on solid evidence from different sources...”* (7<sup>th</sup> Principle, Principles for Human Rights in Fiscal Policy, 2021) when it comes to fiscal policy decision-making. The current global tax deal will greatly affect the fiscal space of governments in the global South which, in turn, will affect its ability to encourage more participation in its policy decision-making process<sup>07</sup>. The OECD must involve CSOs and governments, those who represent the interest of people from the global South, in the current discussions on international tax reforms in a more substantive and inclusive manner. In the absence of such an inclusive process at the OECD level, it is only right that these discussions be moved to the UN.

The human rights concern is also echoed in the 13<sup>th</sup> principle which discourages any activity that will deter countries from fulfilling its obligations to its people. The global tax deal's proposal for a global corporate minimum tax of 15% will only encourage a “race to the minimum”, especially for countries in the global South who rely on foreign business investments. This race to the minimum will lead to regressive tax policies where corporations can avoid their tax obligations while governments seek to make up for this loss in CIT by taxing its citizens through consumption and flat rate taxes. Consumption taxes, which affect all citizens, are unjust in that they pass the burden of revenue collection to the poorest, most marginalized in society. The 13<sup>th</sup> principle

07| Of course, one should also factor-in the corruption of governments, but the limited policy space, in itself, is a major impediment to the realization of peoples' human rights.



also calls for the promotion of human rights when it comes to international cooperation. The OECD's attempt to block the concerns of developing countries constitutes major hu-

man rights violations for citizens in the global South who will be seriously affected by the effects of their governments "race to the minimum".

#### IV. Moving Forward: Key Actors and Events to Leverage the Principles

Addressing issues on tax justice, fiscal justice, and financial accountability, transparency, and integrity will allow governments to fulfill their human rights obligations and will allow all people to develop their full human potential. As Flora Santos, a woman's rights activist from the Philippines, so eloquently stated at the Philippine Forum on Tax Justice in November 2019; issues and discussions on tax and finances may be convoluted and alienating to the masses, but their effects run deep at the grassroots level. The effects of injustices in our tax, fiscal, and financial systems ultimately lead to hunger and poverty (Santos, 2019). Alternately, justice in these issues have the potential to significantly change peoples' lives and allow for a more equitable and just system where all are given the chance to live and develop freely.

Key actors in international tax reform discussions come from all sectors. Given the current political climate, the OECD and its IF on BEPS are among the most significant actors and process that require strong intervention from CSOs. As the OECD and G20 countries are fast-tracking the two-pillar solution, raising awareness, building solidarity, and adding numbers to the strong global tax justice movement becomes more essential. This requires mobilizing movements, alliances, and organizations from the grassroots level to the international level. Below are some of the key actors, events, and avenues with which the Principles for Human Rights in Fiscal Policy can be leveraged.

##### › BUILDING SOLIDARITY and AWARENESS-RAISING:

As mentioned, there is currently a strong, concerted, and vibrant movement for tax justice, fiscal justice, and financial accountability, transparency, and integrity led by Civil Society Organizations (CSO's) at the grassroots, national, regional, and international levels.

The Principles of Human Rights in Fiscal Policy are an invaluable tool that can be used in the policy analysis and campaigns of the global tax justice movement. Disseminating the document to the Global Alliance for Tax Justice (GATJ) who, in turn, will distribute the document to hundreds of local, grassroots, national, and regional members through its five (5) main members will aid in their campaigns. The document can be referenced by local movements in their mobilizations and in lobbying for a more just and equitable tax and fiscal system in their countries.

The document can also be used by the entire tax justice movement in its effort to raise more awareness on tax

and fiscal justice and to mobilize more people, organizations, and networks, especially those representing the interest of the most marginalized in society, to join the tax justice movement. Human rights is an issue that affects all people, and the document brings the issue of tax and fiscal justice home to all people who face hunger, impoverishment, displacement, and injustice on a daily basis. The document can be used as a tool to bring the issue of tax and fiscal justice from the convoluted discussions at the international level, to everyday discussions at home, at the workplace, and more importantly, on the streets.

The GATJ and its regional counterparts, together with several international organizations such as ActionAid International and its local units, Oxfam, the Tax Justice Network (TJN), Public Services International (PSI), and other organizations work on awareness-raising and mobilizing campaigns to encourage discussion and participation in the tax justice movement.

##### › CONSULTATION and DIALOGUE with National Tax Administrators and Ministers:

Representatives of developing countries in the BEPS process are often government officials with no hands-on experience with tax administration and often very little knowledge on international taxation. Consulting with national tax administrators will provide CSOs with in-depth insights on the political and economic challenges that countries face with tax administration, tax avoidance, tax evasion, and transfer-pricing. It will aid in the research, campaigns, and movement for tax justice. What is more, initiating a strong and continued dialogue with national tax administrators while utilizing the Principles of Human Rights in Fiscal Policy document as the framework with which discussions are held will either hold tax administrators more accountable in their work or empower tax administrators to hold policy and lawmakers in their countries to be more accountable to the people.

##### › POLICY ENGAGEMENT and INTERVENTION at the OECD/G20 Discussions:

There is little policy space for CSOs, especially in the global South, to dialogue with the OECD. More often than not, the intervention of CSOs, like those of governments from the global South, do not often reach the policy recommendations and discussions at the level of the OECD. The UN, though more open to CSOs, faces the political challenge of establish-





ing a solid and coherent UN Tax Body. The UN Tax Committee is open to CSO intervention; however, their mandate is only limited to policy recommendation and does not extend to an intergovernmental process.

But when there is space to be heard, one must seize these opportunities, whether the recipient chooses to listen or not. Whether through mobilizations outside these forums or intervention in the policy space itself, here are a few events with which the Initiative for Human Rights in Fiscal Policy, its partners, and affiliates can leverage the Principles for Human Rights in Fiscal Policy in international tax reforms discussions.

---

**01. United Nations General Assembly (UNGA), 13 September 2022 (Opening for GA), 20 September 2022 (Opening for general debate):** United Nations General Assembly (UNGA), 13 September 2022 (Opening for GA), 20 September 2022 (Opening for general debate): though the UN Tax Committee provides invaluable insight and policy recommendations, it can only go as far as recommending the need for an intergovernmental UN Tax Body. The political power to be able to convene such a body lie with the UNGA. However, the Foreign Policy reported that NGOs were blocked from entering the UN headquarters building in New York during the previous UNGA due to concerns about the COVID-19 virus. (Lynch, 2021). Another alternative is the 5<sup>th</sup> United Nations Conference on the Least Developed Countries (LDC5) in Doha from 23-27 January, 2022 (United Nations, n.d.-a). Some constraints in participating in the LDC5 is the time constraint and that the issue on global tax reforms will not be a part of the program. However, the LDC5 will host a civil society forum throughout the conference which can be an avenue for network building and to promote tax and fiscal justice through the Principles for Human Rights in Fiscal Policy document.

---

**02. The 24<sup>th</sup> Session of the Committee of Experts on International Tax Matters, 04-07 April, 2022** (United Nations, n.d.-b): though the UNGA holds the political power to convene an intergovernmental UN Tax Convention, engag-

ing with the committee can still provide an avenue for CSOs to raise their concerns on international tax matters.

---

**03. G20 Summit, Indonesia, 2022** (India Today, 2021): CSOs and countries from the global South should come together to pressure the G20 to work on a more human rights-centered, democratic, and inclusive global tax deal. Though it will be harder to intervene in the G20 process rather than UN processes, more pressure can be placed on the G20 countries if mobilizations, both online and in person, all over the world will occur. The document can be referenced in the statements, analysis, and awareness-raising campaigns around the G20 Summit.

---

**04. International Monetary Fund (IMF) and World Bank 2022 Spring Meetings, Washington D.C., US, 22-24 April 2022** (International Institute for Sustainable Development, n.d.): the G20 finance ministers usually take the opportunity to meet at the bi-annual IMF-World Bank Meetings. Intergovernmental entities, CSOs, government officials, and other related individuals and entities also come together to discuss issues on global and national finances. CSOs organize panels and discussions at the Civil Society Policy Forum (CSPF). This will be an opportune moment to leverage the Principles for Human Rights in Fiscal Policy in the context of international tax reforms. An event can be hosted at the CSPF in partnership with the GATJ, TJN, PSI, and other actors in the global tax justice movement to discuss the Principles in the context of international tax reforms.

---

**05. Watch out for OECD announcements for public consultations and events:** the OECD usually closes its doors to any intervention from CSOs, but it is possible to regularly check their [website](#) for any calls for public consultations and events that CSOs are able to attend.



## Reference List

- Akhtar, J., Akwi-Ogojo, A., Danish, Grondona, V., Guerrero, L. E. F., Martins, A. A. L., Montes, M., Ovonji-Odida, I., Shongwe, T., Singh, V. K., Uribe, D., Valadão, M. A. P., Victor, M., & Williams, M. (2019). *International Tax Cooperation: Perspectives from the Global South*. South Center. [https://www.southcentre.int/wp-content/uploads/2019/12/Bk\\_2019\\_International-Tax-Cooperation-Perspectives-from-the-Global-South\\_EN.pdf](https://www.southcentre.int/wp-content/uploads/2019/12/Bk_2019_International-Tax-Cooperation-Perspectives-from-the-Global-South_EN.pdf)
- Asian Peoples' Movement on Debt and Development. (2019). *APMDD Framework and Principles on Tax and Fiscal Justice*.
- ATAF Communication. (2021, October 8). A new era of international taxation rules - What does this mean for Africa? <https://www.ataftax.org/a-new-era-of-international-taxation-rules-what-does-this-mean-for-africa>
- Booth, A. (2013). Colonial Revenue Policies and the Impact of the Transition to Independence in South East Asia. *Bijdragen Tot de Taal-, Land- En Volkenkunde*, 169(1), 37–61. <https://www.jstor.org/stable/43817860>
- Center for Economic and Social Rights. (n.d.). *Building the foundation for tax justice through human rights*. Retrieved November 10, 2021, from <https://www.cesr.org/building-foundation-tax-justice-through-human-rights>
- Chowdhary, A. M. (2021). *Developing Country Demands for an Equitable Digital Tax Solution*. [https://www.southcentre.int/wp-content/uploads/2021/10/TCPB19\\_Developing-Country-Demands-for-an-Equitable-Digital-Tax-Solution\\_EN.pdf](https://www.southcentre.int/wp-content/uploads/2021/10/TCPB19_Developing-Country-Demands-for-an-Equitable-Digital-Tax-Solution_EN.pdf)
- Colombo Gazette. (2021, October 14). *Sri Lanka joins Kenya, Nigeria, Pakistan in refusing to sign global tax deal*. <https://colombogazette.com/2021/10/14/sri-lanka-joins-kenya-nigeria-pakistan-in-refusing-to-sign-global-tax-deal/>
- Eurodad. (2021, February 2). *The Global Alliance for Tax Justice nominated for Nobel Peace Prize 2021*.
- FACTI Panel. (2021). *Financial Integrity for Sustainable Development: Report of the High Level Panel on International Financial Accountability, Transparency, and Integrity for Achieving the 2030 Agenda*. [https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/603560520c476959ea33b17a\\_FACTI\\_Report\\_ExecSum.pdf](https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/603560520c476959ea33b17a_FACTI_Report_ExecSum.pdf)
- Financial Transparency Coalition. (2021, March 11). *Five Key Takeaways from UN FACTI Panel Release*.
- Financial Transparency Coalition, Oxfam International, ChristianAid, Global Alliance for Tax Justice, Public Services International, ActionAid, Tax Justice Network - Africa, CIDSE, Eurodad, Latindadd, & Asian Peoples' Movement on Debt and Development. (2015). *Briefing for Government Delegations: A Universal, Well-Resourced, UN Intergovernmental Tax Body is in Everyone's Interest*. <https://financialtransparency.org/wp-content/uploads/2015/07/UN-Tax-Body-Briefing-for-Government-Delegations-with-Logos.pdf>
- Fitzgibbon, W. (2021, August 2). *Isabel dos Santos ordered to return to Angola \$500 million in shares "tainted by illegality."* International Consortium of Investigative Journalists. [www.icij.org/investigations/luanda-leaks/isabel-dos-santos-ordered-to-return-to-angola-500-million-in-shares-tainted-by-illegality/](https://www.icij.org/investigations/luanda-leaks/isabel-dos-santos-ordered-to-return-to-angola-500-million-in-shares-tainted-by-illegality/)
- Freedberg, S., Woodman, S., Alecci, S., & Gibbs, M. (2021, October 6). *Lawmakers and regulators around the world take action in the wake of Pandora Papers*. International Consortium of Investigative Journalists. <https://www.icij.org/investigations/pandora-papers/lawmakers-and-regulators-around-the-world-take-action-in-the-wake-of-pandora-papers/>
- Global Alliance for Tax Justice. (n.d.). *Our Members*. Retrieved November 10, 2021, from <https://www.globaltaxjustice.org/en/about-members>
- Global Alliance for Tax Justice. (2021). *The "Deal of the Rich" will not benefit developing countries*.
- Independent Commission for the Reform of International Corporate Taxation. (n.d.). *The Coalition*. Retrieved November 10, 2021, from <https://www.icriict.com/thecoalition>
- India Today. (2021, November 1). *Looking forward to meeting again in Indonesia in 2022 and in India in 2023: G20 leaders*.
- Inman, P. (2015, July 14). *Rich countries accused of foiling effort to give poorer nations a voice on tax*. The Guardian. <https://www.theguardian.com/global-development/2015/jul/14/financing-for-development-conference-addis-ababa-rich-countries-accused-poorer-nations-voice-tax>
- International Institute for Sustainable Development. (n.d.). *2022 Spring Meetings of the World Bank Group and the International Monetary Fund*. Retrieved November 13, 2021, from <http://sdg.iisd.org/events/2022-spring-meetings-of-the-world-bank-group-and-the-international-monetary-fund/>
- KièS, C., van Dam, H., Klethi, P.-A., Nunes, A., & Kunen, J.-W. (2021, October 13). *European Union: Agreement On Pillar One And Pillar Two Global Tax Reform*. <https://www.mondaq.com/withholding-tax/1120498/agreement-on-pillar-one-and-pillar-two-global-tax-reform>
- Kohli, A. (2021, June 21). *Facing global pressure, the United Arab Emirates to begin fining violators of new corporate transparency rules*. International Consortium of Investigative Journalists. <https://www.icij.org/investigations/fincen-files/facing-global-pressure-the-united-arab-emirates-to-begin-fining-violators-of-new-corporate-transparency-rules/>
- Lynch, C. (2021, September 23). *NGOs Frozen Out of U.N. Building. Foreign Policy*. <https://foreignpolicy.com/2021/09/23/unga-civil-society-ngo-blocked-headquarters-covid/>
- Medina, B. (2021, November 9). *Chilean legislators impeach president after Pandora Papers revelations*. International Consortium of Investigative Journalists. <https://www.icij.org/investigations/pandora-papers/chilean-legislators-impeach-president-after-pandora-papers-revelations/>





Montes, M., & Rangaprasad, P. (2018). *Collaboration or Co-optation? A review of the Platform for Collaboration on Tax*. [https://www.southcentre.int/wp-content/uploads/2018/06/PB48\\_Collaboration-or-Co-optation-A-review-of-the-Platform-for-Collaboration-on-Tax\\_EN.pdf](https://www.southcentre.int/wp-content/uploads/2018/06/PB48_Collaboration-or-Co-optation-A-review-of-the-Platform-for-Collaboration-on-Tax_EN.pdf)

Mosquera Valderrama, I. J. (2015). Legitimacy and the Making of International Tax Law: The Challenges of Multilateralism. *3 World Tax Journal*. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2528044](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2528044)

Mureithi, C. (2021, November 2). Why Kenya and Nigeria haven't agreed to a historical global corporate tax deal. *Quartz Africa*. <https://qz.com/africa/2082754/why-kenya-and-nigeria-havent-agreed-to-global-corporate-tax-deal/>

National Constitution Center. (2020, November 13). *Benjamin Franklin's last great quote and the Constitution*. <https://constitutioncenter.org/blog/benjamin-franklins-last-great-quote-and-the-constitution>

OECD. (2013). *Action Plan on Base Erosion and Profit Shifting*. <https://www.oecd.org/ctp/BEPSActionPlan.pdf>

OECD. (2021a). *Statement on a Two-Pillar Solution to Address the Tax Challenges*. <https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-july-2021.pdf>

OECD. (2021b). *Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy*.

OECD. (2021c). *Progress continues in making tax dispute resolution more effective and in improving tax transparency through Country-by-Country reporting*. <https://www.oecd.org/tax/beps/progress-continues-in-making-tax-dispute-resolution-more-effective-and-in-improving-tax-transparency-through-country-by-country-reporting.htm>

OECD. (2021d, November 4). *Mauritania joins the Inclusive Framework on BEPS and participates in the agreement to address the tax challenges arising from the digitalisation of the economy*. <https://www.oecd.org/tax/beps/mauritania-joins-the-inclusive-framework-on-beps-and-participates-in-the-agreement-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy.htm>

Oelofsen, J. (2021, October 1). *The Global South Needs a Just Alternative to the OECD Deal: Lessons from South Africa*.

OXFAM International. (2021, October 7). *OECD tax deal on*

*track to become rich country stitch up-up: Oxfam*. <https://www.oxfam.org/en/press-releases/oecd-tax-deal-track-become-rich-country-stitch-oxfam>

Principles for Human Rights in Fiscal Policy. (2021). *The Principles for Human Rights in Fiscal Policy have benefited from the significant contributions of the following individuals: Dalile An-túnez (former ACIJ)*. [https://derechosypoliticafiscal.org/images/ASSETS/Principles\\_for\\_Human\\_Rights\\_in\\_Fiscal\\_Policy-ENG-VF-1.pdf](https://derechosypoliticafiscal.org/images/ASSETS/Principles_for_Human_Rights_in_Fiscal_Policy-ENG-VF-1.pdf)

Santos, F. (2019). *Philippine Forum on Tax Justice*.

Tax and Fiscal Justice Asia. (n.d.). *DRAFT Declaration of Unity*.

Tax Justice Network. (n.d.). *Our History*. Retrieved November 10, 2021, from <https://taxjustice.net/our-history/>

Tax Justice Network. (2020, November 14). *Empire and decolonisation*. <https://taxjustice.net/topics/empire-and-decolonisation/>

The Herald Sun. (2017, April 17). *Tax day and civilized society*. <https://www.heraldsun.com/opinion/article145009224.html>

UN ECOSOC. (n.d.). *About (the Committee of Experts on International Cooperation in Tax Matters)*. Retrieved November 9, 2021, from <https://www.un.org/development/desa/financing/what-we-do/ECOSOC/tax-committee/about>

United Nations. (n.d.-a). *5th United Nations Conference on the Least Developed Countries (LDC5) - Doha, 23-27 January 2022*. Retrieved November 13, 2021, from <https://www.un.org/ldc5/participate>

United Nations. (n.d.-b). *24th Session of the Committee of Experts on International Cooperation in Tax Matters*. Retrieved November 13, 2021, from <https://www.un.org/development/desa/financing/events/24th-session-committee-experts-international-cooperation-tax-matters>

United Nations. (n.d.-c). *Committee of Experts on International Cooperation in Tax Matters*. Retrieved November 8, 2021, from <https://www.un.org/esa/ffd/tax-committee/about-committee-tax-experts.html>

World Atlas of Global Issues. (2018). *Multinational Corporations*. <https://espace-mondial-atlas.sciencespo.fr/en/topic-strategies-of-transnational-actors/article-3A11-EN-multinational-corporations.html>



## ANNEX A

### Some of the international organizations working on tax justice

Among the organizations that pioneered the global tax justice movement is the Tax Justice Network (TJN) which was launched in 2003. Having been established at a time when the issue on tax havens were widely unclear to CSOs and the public, the TJN and its founding members persevered to include the issue in mainstream discussions in the developing world. TJN focuses on research, advocacy, and policy campaigns with partners from across the globe.

One of the organizations that work independently but alongside TJN in the movement for tax justice is the Global Alliance for Tax Justice (GATJ). Recently nominated for the Nobel Peace Prize (Eurodad, 2021), GATJ is a Southern-led coalition which mobilizes, represents, and supports movements at the grassroots level in their fight for more just, progressive, and redistributive tax systems. It is stirred by its five regional members-- networks that collectively represent hundreds of local, grassroots, and national organizations worldwide. The five regional networks that serve as the primary members of the GATJ are the Tax Justice Network-Africa (TJN-A), Tax and Fiscal Justice Asia (TAFJA), Red de Justicia Fiscal de América Latina y el Caribe (RJFALC), Tax Justice Europe (TJE), and the North American Networks (Canadians for Tax Fairness and FACT Coalition) (Global Alliance for Tax Justice, n.d.). GATJ maintains a leadership largely held by its member organizations from the global South and is among several organizations that seek to amplify and represent the interest of developing countries.

The Center for Economic and Social Rights (CESR) seeks to provide a closer look on issues on tax by bringing to attention the need to include a human rights lens in the movement for tax justice. This is an effort that CESR works on with several organizations such as the TJN, GATJ, Oxfam International, RJFALC, and the Red Latinoamericana por Justicia Económica u Social (Latindadd) (Center for Economic and Social Rights, n.d.).

The Centre for Budget and Governance Accountability (CBGA), India conducts rigorous analysis of government budgets and economic policies. The CBGA also shows its dedication to encouraging peoples' participation in public

policy processes as part of the process of enhancing transparency and accountability in governance (Centre for Budget and Governance Accountability, n.d.).

Perkumpulan Prakarsa is a think tank based in Indonesia which conducts policy research and analysis on fiscal policy, social policy, and sustainable development. It also utilizes its research outcomes to build capacity for CSOs. Prakarsa recognizes that current tax systems and government budgets are far from fair. As part of its work, Prakarsa engages with governments, the private sector, and the media by leveraging its books, policy briefs, policy reviews, and other materials related to welfare issues (Perkumpulan Prakarsa, n.d.).

The Independent Commission for the Reform of International Corporate Taxation (ICRICT) hosts a group of world leaders aiming to promote a more inclusive discussion on international tax reform. The Commission was an initiative by some of the international organizations that take the lead in the movement for tax justice: ActionAid International, Alliance-Sud, the Arab NGO Network for Development, the CESR, ChristianAid, the Council for Global Unions, the GATJ, Oxfam International, Public Services International, the TJN, South Center, and the World Council of Churches (Independent Commission for the Reform of International Corporate Taxation, n.d.).

The International Consortium of Investigative Journalists (ICIJ), which was nominated for the Nobel Peace Prize alongside GATJ, has done tremendous work on exposing wealthy individuals, corrupt officials, and MNEs who practice illicit methods of siphoning wealth from developing countries and jurisdictions. Their work from the Panama Papers, Paradise Papers, Luxembourg Leaks, and, just recently, the Pandora papers have sparked an international crackdown on financial secrecy. Corrupt politicians are being impeached, certain wealthy individuals are rightly being put to justice, and financial enablers are being investigated due to the extensive work that the ICIJ has produced (Fitzgibbon, 2021; Freedberg et al., 2021; Kohli, 2021; Medina, 2021).

This paper was commissioned by the Initiative  
for Human Rights Principles in Fiscal Policy



INITIATIVE FOR PRINCIPLES FOR  
**HUMAN RIGHTS**  
IN FISCAL POLICY

[www.derechosypoliticafiscal.org](http://www.derechosypoliticafiscal.org)



**Dejusticia**

 **fundar**  
Centro de Análisis e Investigación

