



Rights-based tax justice: A framework for a progressive, feminist, ecologically just, and decolonial approach to taxation

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INTRODUCTION

Tax justice is crucial to the collective effort of building feminist and decolonial rights-based economies that support the wellbeing of both people and the planet. Tax policy and governance are essential facets of the social contract, as rooted in the principles of mutual responsibility and reciprocity: citizens contribute taxes, and in return, the government provides them with public goods and services.¹ The revenue collected through taxation advances countries' responsibilities to fulfill human rights, address the ecological crisis, and provide gender-responsive social services.² Beyond revenue, tax justice advocates point to four additional key functions of tax—redistribution, reparations, representation, and repricing of socially harmful goods—together making up the “5 Rs” of tax.³

¹ Tax Justice Network (2024) *The fiscal social contract and the human rights economy: In response to call for input by the Independent Expert on the effects of foreign debt*.

² Bhumika Muchhala (2023) *A Feminist Social Contract Rooted in Fiscal Justice*, ChristianAid.

³ Alex Cobham (2005) *Taxation Policy and Development*, The Oxford Council on Good Governance; Christian Aid & SOMO (2009) *Tax Justice Advocacy Toolkit*; Richard Murphy (2012) *The 5Rs of tax, Funding the Future*; Mukupa Nsenduluka and Rachel Etter-Phoya (2024) *Financing Africa's Climate Action*, Tax Justice Network.

Advancing genuine tax justice—and ensuring tax contributes to a broader vision of fiscal and structural justice—requires a **progressive, feminist, ecologically just, and decolonial** approach to taxation. This brief articulates an initial vision for that approach, covering:

- A holistic understanding of tax justice that is progressive, feminist, ecologically just, and decolonial in the context of a rights-based economy, including specific recommendations for types of taxes and broader tax policy under these principles;
- The relation of these principles to established frameworks of tax justice, including the “5 Rs”;
- The main actors involved in obstructing global tax justice and the narratives they espouse;
- Political opportunities to advance tax justice.

Reinvigorating the role of the state and redressing colonial legacies

Today’s tax injustices are part of a colonial legacy that has stolen and continues to steal wealth from the Global South and its diaspora, in order to enrich wealthy individuals and corporations in the Global North. Colonial powers levied taxes to extract resources from and dispossess their colonies. Even now, Global North countries wield disproportionate influence on tax policy: bilateral tax treaties replicate colonial legacies, and the OECD sets global rules on tax, according to the interests of rich countries.⁴ This continued asymmetrical arrangement on tax has failed the rest of the world. **Corporate and offshore tax abuse by OECD countries and their dependencies drains USD \$342 billion per year in potential tax revenues away from governments everywhere—69% of all tax losses.**⁵ Africa alone loses an estimated USD \$89 billion per year in illicit financial flows (IFFs), most of which are from commercial sources including tax abuses.⁶

Since the 1980s, the neoliberal economic system—engineered by Global North countries, especially the UK and US—has reinforced these colonial legacies by imposing liberalization, deregulation, and privatization across the world. Beyond being an economic project, neoliberalism is a political one in which the state retreats from providing public services, acting instead as a broker for global capital and protector of private interests. If social protection is provided, it is often disciplinary, requiring citizens to meet behavioral mandates like training and job searching, rather than being truly universal in terms of access. Under this narrative, market mechanisms are assumed to be the optimal way of allocating resources, including for public goods like healthcare and education.⁷ The main focus is on individuals’ presumed capacity to lift themselves out of poverty and empower themselves through access to microcredit and self-enterprise, rather than through access to universal social services.⁸

Tax justice, conversely, strengthens the role of the state as a duty bearer, one that can be held accountable to the public as rights holders. This is in stark comparison to other means of financing, including loans (which exacerbate debt burdens and make countries vulnerable to global financial control and volatile conditions),⁹ private investment (which is profit-oriented with no obligation to contribute to social goods),¹⁰ aid (which can be unpredictable or tied to unjust policy conditionalities), or “self-sufficiency” through credit and entrepreneurship.¹¹

However, taxation has often been underutilized or distorted to favor private capital investment. This is the case with progressive taxation (where those with higher income or wealth pay a greater percentage), as it is underused in part

⁴ Mukupa Nsenduluka & Rachel Etter-Phoya (2023) *The Principles of Tax Justice and the Climate Crisis in Africa's Resource-Rich Nations*, *Feminist Action Nexus for Economic & Climate Justice*, Tax Justice Network, and Tax Justice Network Africa; Alex Cobham (2022) *Imperial extraction and tax havens*, *Imperial Inequalities*.

⁵ Tax Justice Network (2023), *The State of Tax Justice*.

⁶ UNCTAD (2020) *Tackling Illicit Financial Flows for Sustainable Development in Africa: Economic Development in Africa Report*.

⁷ Loïc Wacquant (2012) *Three steps to a historical anthropology of actually existing neoliberalism*, *Social Anthropology* 20(1).

⁸ Julia Elyachar (2005) *Markets of Dispossession: NGOs, Economic Development, and the State in Cairo*, *Duke University Press*.

⁹ Debt Justice (2024) *The colonial roots of global south debt*.

¹⁰ Daniella Gabor (2021) *The Wall Street Consensus*, *International Institute of Social Studies*.

¹¹ Julia Elyachar (2005) *Markets of Dispossession: NGOs, Economic Development, and the State in Cairo*, *Duke University Press*.

due to false right-wing and neoliberal myths that lower taxes collect more revenue, because they enable more investment and growth.¹² This has resulted in a skewed system where regressive taxes like value-added tax (VAT) or sales tax (that extract more resources from those with less) have become the norm, instead of progressive taxes on the wealthiest individuals and corporations.

Today, tax injustice manifests in the following ways:

- **Governments are not sufficiently taxing excessive profits, wealth, and individual/corporate income**, instead offering tax incentives that enable the richest to avoid paying their fair share of tax;
- **Governments rely on regressive taxes** (like consumption taxes) that are disproportionately levied on lower-income individuals, women, and marginalized groups, as opposed to progressive taxes on profit, wealth, and high incomes;
- **Rich individuals and corporations commit domestic and cross-border tax abuse and evasion**, enabled by financial secrecy laws, a broken global tax system, and inadequate corporate reporting standards;
- **Governments over-emphasize the revenue-raising function of tax**, while neglecting other functions like redistribution or representation; and
- **Intergovernmental bodies like the IMF and the World Bank argue that higher corporate and income taxes stifle growth**, while claiming that regressive consumption taxes have less of this effect.

Our vision for tax justice: A comprehensive rights-based approach

Tax justice is a key aspect of a rights-based economy—an economy that “guarantee[s] the material, social, and environmental conditions necessary for all people to live with dignity on a flourishing planet.”¹³ Such an economy also conceptualizes the economy of being composed not just of the market, but other spheres such as the household, the state, and the ecological sphere, all of which must align with a rights-based framework.¹⁴

Two main elements are critical to building this rights-based approach to taxation:

1. **Types of tax:** Countries must implement taxes that are aligned with progressive, feminist, ecologically just, and decolonial principles—for instance, progressive taxes on wealth, windfall profits, corporate income, and ecologically excessive material footprints.
2. **Enabling environment for tax policy:** Democratic international tax cooperation is necessary to build a tax system that prevents cross-border tax abuse and enforces revenue collection through greater tax and financial transparency. Multilateral action that is truly inclusive and participatory is crucial to ensure that the right to tax is allocated fairly among countries, and individuals and corporations cannot simply shift their profits and/or production to jurisdictions with lower taxes.

¹² Elizabeth Popp Berman (2022) *Thinking like an Economist: How Efficiency Replaced Equality in U.S. Public Policy*. Princeton University Press

¹³ Kate Donald (2020) *A Rights-Based Economy: Putting people and planet first*, Christian Aid and Center for Economic and Social Rights.

¹⁴ Marianna Leite and Matti Kohonen (2024) *Righting the Economy: Towards a People's Recovery from Economic and Social Crisis*. Agenda Publishing.

It is important to caveat that tax is only one of many tools for feminist economic and climate justice. For instance, wealth redistribution is not just about taxation, but also about limiting rich corporations' and individuals' ability to exploit resources and labor and accumulate wealth in the first place. Tax also does not preempt (or replace) policy to completely prohibit (among others) high-polluting activities—but to the extent that these activities take place in the short-term, they must at least be appropriately taxed.¹⁵

A PROGRESSIVE, FEMINIST, DECOLONIAL, AND ECOLOGICALLY JUST APPROACH TO TAXATION

Civil society organizations across various fields have championed equitable taxation as fundamental to various movements for social, economic, and climate justice. This has included progressive labor movements demanding that their governments tax the rich, feminists calling for gender-responsive taxation, environmental activists advocating for taxes on excessive carbon or material footprints, and decolonial movements urging an end to tax abuse by wealthy countries in the Global North. However, these goals can sometimes conflict: taxing polluters may be ecologically just, but it could burden lower-income individuals who spend relatively more on essentials like heating or transport that rely on fossil fuels.

A rights-based tax framework focuses on equity, access, and redistribution in a way that no principle is achieved at the expense of another. We attempt to outline such a framework here, examining five areas for each of our four key principles: progressive, feminist, ecologically just, and decolonial. This framework for analysis covers the following:

RELEVANT TAX FUNCTIONS (FIVE RS)

Civil society advocates have defined “tax justice” in terms of how a government uses tax to perform five functions:¹⁶

- **Revenues** to sustainably fund public goods and services, infrastructure, administration, and other uses;
- **Redistribution** to curb inequalities between individuals and groups;
- **Repricing** socially or environmentally harmful goods by creating economic disincentives for production or consumption;
- **Representation**, since governments that rely more on tax revenues tend to be more responsive and accountable in their governance;
- **Reparations** to redress the historical legacies of empire and ecological damage.

Under each of the four principles outlined here, we explain which functions are most relevant and how.

HOW TAX SHOULD BE COLLECTED

For each principle, we identify which actors should contribute a higher proportion of tax.

For instance, we emphasize the importance of levying progressive taxes, where corporations or individuals with more wealth or income pay a higher proportion than those with less. This stands in contrast to regressive taxes (e.g. sales tax or VAT), which are flat rates that result in those with less wealth and income paying more tax as a proportion of their income.

¹⁵ Markus Trilling (2024) *Make Polluters Pay: How to tax excessive ecological footprints*, Eurodad.

¹⁶ Alex Cobham (2005) *Taxation Policy and Development*, *The Oxford Council on Good Governance*; Christian Aid & SOMO (2009) *Tax Justice Advocacy Toolkit*; Richard Murphy (2012) *The 5Rs of tax, Funding the Future*; Mukupa Nsenduluka and Rachel Etter-Phoya (2024) *Financing Africa's Climate Action*, *Tax Justice Network*.

WHAT SHOULD BE TAXED

For each principle, we list (non-exhaustive) examples of what kinds of economic activity can and should be taxed in line with that particular principle.

For instance, in line with an ecologically just approach to taxation, higher rates could apply to harmful industries such as extractives and banking. Similarly, at the global level, a higher global corporate minimum tax could be set for fossil fuel companies (above the 15% global corporate minimum tax for the world's largest corporations).

FROM REVENUE TO SPEND

For each principle, we list (non-exhaustive) examples of how tax revenue should be spent.

In many countries, public spending on gender, care, climate, and development is vastly insufficient, while those same governments spend magnitudes more on militaristic expansion, subsidies for extractivism and the rich, debt repayment, corporate tax exemptions, or corruption. Equitable tax policy requires that taxes collected are well-spent on the public goods and services integral to a care-centric and rights-based economy, guaranteeing social and ecological wellbeing.

BROADER TAX POLICY RECOMMENDATIONS

For each principle, we consider broader elements of tax policy, such as (among others) repealing specific tax holidays/incentives for multinational corporations, reducing the rate of regressive taxes, and integrating social and environmental assessments in tax policy-making.

Progressive approach to taxation

A progressive, pro-worker approach seeks to transform the current taxation regime, in which the wealthiest individuals and corporations pay very little in taxes, even as public services are underfunded and working households bear the burden of austerity. From 2014 to 2018, the top 25 billionaires in the USA paid a net/effective tax rate of only 3.4%.¹⁷ Meanwhile, statutory corporate tax rates have plummeted over the past few decades, from an average of 40% in 1980 to 28% in 2000 and 21.1% in 2024.¹⁸ In Africa, statutory corporate income tax rates are around 26.5%, down from 27.7% in 2019.¹⁹

That is, of course, an average figure, masking even lower rates—or no taxes at all—in many jurisdictions. Corporations can shift their profits to jurisdictions without a corporate income tax, including Jersey, the British Virgin Islands, the Cayman Islands, and Bermuda (all British dependencies or territories).²⁰ Corporations can also pass on income to their shareholders tax-free if those individuals live in jurisdictions that do not tax dividends or capital gains on the sale of assets.

This state of affairs allows corporations to amass egregious amounts of wealth that further entrench (and increase) their influence in governance processes—including international standard-setting on tax.²¹ Progressive tax justice, then, is about ensuring rich corporations and individuals pay their fair share of tax so that states can fulfill their fiscal social contract and finance social and economic rights.

Kenya exemplifies a Global South country that, despite initial opposition from the wealthy, is implementing higher progressive taxes (although there was widespread protest in 2023 and 2024 over regressive taxation measures that disproportionately burdened people with lower incomes).²² In 2018, Kenya proposed changes to the Income Tax Act to increase the tax rate to 35% on incomes over 9 million shillings annually (around US\$70,000), but it was withdrawn due to heavy lobbying from the wealthy.²³ Later, it was introduced as part of the Finance Act in 2023 for income earners of above 6 million shillings in annual income.²⁴ However, the Act did not include higher progressive taxes on wealth, which are generally less common than on income due to being even more unpopular among the rich. In Kenya, the top 10% own 69.1% of all wealth, while the bottom 50% own only 4.2% of all wealth. There are an estimated 7,200 high-net-worth-Individuals (HNWIs) in Kenya, who each own more than a million in investment wealth.²⁵ A wealth tax on the richest individuals could levy up to USD \$781 million in additional revenue.²⁶

¹⁷ Jesse Eisinger, Jeff Ernsthausen, and Paul Kiel (2021) *The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax*, *ProPublica*.

¹⁸ OECD (2024) *New OECD data highlight stabilisation in statutory corporate tax rates worldwide*.

¹⁹ Ibid.

²⁰ Mark Bou Mansour (2024) *Tax haven ranking: UK protects itself while keeping world defenceless to British tax havens*, *Tax Justice Network*; Dean Kern (2015) *Doing Business in Lebanon: A tax and legal guide*, PwC.

²¹ Jessica Dempsey et al. (2022), *Biodiversity targets will not be met without debt and tax justice*, *Nature Ecology & Evolution* 6; Cristina Enache (2022) *Corporate Tax Rates Around the World*, *Tax Foundation*.

²² *erlassjahr.de* (2024) *#RejectFinanceBill2024 protests in Kenya - When austerity leads to human rights violations*; Government of Kenya (2024) *Finance Bill, 2024*; Basilio Rukanga (2024) *What are Kenya's controversial tax proposals?*, *BBC News*.

²³ British Omondi (n.d.) *Wealth Tax: A Solution to Inequality in Africa*, *Kenya Revenue Authority*; Lurit Yugusuk (2023) *Domestic Resource Mobilization in Kenya: What's taxing the rich got to do with it?*, *IPF Global*.

²⁴ Republic of Kenya (2023) *The Finance Act 2023*.

²⁵ Henley & Partners (2024) *The Africa Wealth Report 2024*.

²⁶ Lyla Latif (2024) *The Potential for Taxing Wealth in Kenya*.

PROGRESSIVE

RELEVANT TAX FUNCTIONS (FIVE RS)

- **Revenue:** Funding quality public goods and services accessible to everyone, particularly as a greater share of the benefits of free and universal public services are enjoyed by lower-income, marginalized, and/or working-class people.
- **Redistribution:** Curbing inequalities in income and wealth.
- **Representation:** Improving the inclusivity of political representation (as citizens identify as taxpayers who have certain rightful demands over the revenue they give to the government) and reducing the influence of corporate power and wealth in politics.

HOW TAX SHOULD BE COLLECTED

The greatest share of tax contributions must come from the most profitable corporations and highest-income earners, as opposed to lower-income earners. In other words, progressive taxes on wealth, inheritance, and income should be levied so that extreme levels of wealth are taxed at the highest rates, rather than relying on regressive consumption tax.

EXAMPLES OF TAX (I.E. WHAT SHOULD BE TAXED)

Wealth tax, personal income tax, corporate tax, property tax, capital gains tax (tax on investments that are sold), windfall tax (tax on excessive profits), and solidarity tax (tax on high-income or wealthy taxpayers that is directed to a specific “common good” or societal goal).

FROM REVENUE TO SPEND

Quality and accessible public goods and services, including healthcare, education, retirement/pensions, housing, food support, transportation, public spaces for leisure and recreation, and decent public sector work. A critical component of accessibility is that public goods and services are available to all—not, for instance, only for taxpayers in the formal economy.

BROADER TAX POLICY RECOMMENDATIONS

- End tax breaks/incentives/exemptions/holidays aimed at attracting foreign investment, as these simply subsidize profitable multinational corporations that extract more than they give back.
- Decrease reliance on/lower rate of regressive taxes like VAT and GST (goods and services tax) on consumption goods.
- Set a global minimum corporate tax rate of at least 25% to end “profit-shifting” by multinational corporations that move their profits to low- or no-tax jurisdictions. Following guidance from the G20, the OECD has proposed an ineffective global minimum corporate tax rate of 15%, which (i) is much too low, especially given that many low tax jurisdictions like Hong Kong already tax around 15%, and (ii) applies only to 10-15% of multinational corporations.²⁷

²⁷ ICRICT (2024) ICRICT Evaluation of the OECD/G20 two-pillar solution; OECD (2024) Base erosion and profit shifting (BEPS).

Feminist approach to taxation

While the richest people and companies hide their money offshore to avoid taxes, it is women, girls, and gender-diverse people that will suffer the most from austerity measures like public spending cuts and privatization of essential services, which are partly caused by a lack of tax revenue. This “triple jeopardy” of gendered austerity includes women involuntarily becoming “shock absorbers” by increasing their provision of unpaid care work; losing access to decent public sector work and/or taking on precarious work; and facing cuts in critical services like reproductive health, child-care, and education or having to pay for privatized services.²⁸

Women, girls, and gender-diverse people are also paying the price as countries tend towards lowering progressive income and corporate taxes and replacing them with increased regressive taxes like VAT. Regressive taxes raise the cost of living, especially when levied on essential goods, actively violating the rights of women, girls, and gender-diverse people who are more likely to have lower incomes and therefore contribute a higher proportion of their consumption spend on tax.²⁹ This acts as a form of gender discrimination, violating states’ commitments under the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), among other core human rights treaties.

The IMF is one of the actors in global economic governance most responsible for undermining feminist tax justice. This is primarily done through IMF lending, which demands that countries raise regressive consumption taxes and cut social spending in service of “macroeconomic stability,” in order to receive loans. The IMF also frequently proposes that countries forgo universal social protection and instead implement means-tested social safety nets targeted towards the “most vulnerable”—but by limiting access, targeted safety nets exclude a large share of women who rely on social transfers, threatening their rights to housing, food, and an adequate standard of living.³⁰ In this context, efforts such as the IMF Gender Strategy released in 2022 must be read with suspicion, particularly as the document ignores the IMF’s role in perpetuating gender injustice and offers only reductionist neoliberal sentiments like, “reducing gender disparities goes hand-in-hand with higher economic growth.”³¹

FEMINIST

RELEVANT TAX FUNCTIONS (FIVE RS)

- **Revenue:** Funding quality public goods and services that are gender-responsive and reduce the need for women and girls to provide undervalued or unpaid care work.
- **Redistribution:** Mitigating gendered inequalities by redistributing wealth, given that the wealthiest income-earners are disproportionately men.
- **Representation:** Improving the inclusivity of political representation so that women and gender-diverse people can voice their needs, and governments are more likely to redress gendered injustices.

²⁸ Roos Saalbrink (2022) *The Care Contradiction: The IMF, Gender and Austerity*, ActionAid International; Bhumiika Muchhala (2023) *A Feminist Social Contract Rooted in Fiscal Justice: an Outline of Eight Feminist Economics Alternatives*, Christian Aid; Diane Elson and Anuradha Seth (2019) *Gender Equality and Inclusive Growth: Economic Policies to Achieve Sustainable Development*, UN Women.

²⁹ Nona Tamale (2021) *Adding Fuel to Fire: How IMF demands for austerity will drive up inequality worldwide*, Oxfam.

³⁰ Kate Donald and Nicholas Lusiani (2017) *The IMF, Gender Equality and Expenditure Policy*, Bretton Woods Project; Isabel Ortiz, Matthew Cummins, Jeronim Capaldo, and Kalaivani Karunanethy (2015) *The Decade of Adjustment: A Review of Austerity Trends 2010-2020 in 187 Countries*, International Labour Organization, Columbia University, and The South Centre.

³¹ IMF (2022) *IMF Strategy Toward Mainstreaming Gender*.

FEMINIST

HOW TAX SHOULD BE COLLECTED

A feminist approach to taxation would ensure that women and gender-diverse people are not disproportionately contributing tax revenue, as compared to men. Since gender-disaggregated data on tax is often unavailable, income can be used as a proxy, as women are more likely to have lower incomes or work in the informal sector. Therefore, the greatest share of tax contributions must come from the highest income-earners, and relatively less contributions should come from those with the least resources (i.e. less reliance on regressive consumption taxes).

EXAMPLES OF TAX (I.E. WHAT SHOULD BE TAXED)

Given that gendered injustices manifest (in part) as inequalities in income, examples of taxes can be found in the table under “Progressive approach to taxation.” This could include income, wealth, or windfall taxes. Beyond that, a feminist approach to taxation is also about recognizing what should *not* be taxed, as found in this box under “Broader tax policy recommendations.”

FROM REVENUE TO SPEND

Care economy and gender-responsive public goods and services, including universal social protection, universal free healthcare, education, expanded access to nutritional food, pensions, elderly care, disability care, universal child grants/childcare, universal free school meals, water, public transportation, and electricity.

BROADER TAX POLICY RECOMMENDATIONS

- Decrease reliance on/lower the rate of regressive consumption taxes on products that women are disproportionately reliant on, including menstrual products and products purchased by women as part of their care provisioning (e.g. paraffin, cooking oil, food, books, medicinal products).
- Introduce tax credits that could be allocated towards aspects of care provisioning (such as childcare) to reduce women’s unpaid care responsibilities.
- Implement higher minimum thresholds for income taxation on women due to their disproportionate role in unpaid care and domestic work (i.e. the amount of income that women can make tax-free should increase).
- Use gender-responsive budgeting principles and tools (e.g. gender-disaggregated analysis of tax incidence/ user charges or fees/impacts of budget on time-use, gender-aware policy appraisal, gender impact assessments) in tax policy.
- Engage women’s rights organizations and feminist economists to lead gender budgeting processes (at national, sub-national, and local levels).
- Ensure that the UN Framework Convention on International Tax Cooperation (currently under negotiation) encourages countries to take a feminist and gender-responsive approach to tax policies and international tax governance.³²

³² UN General Assembly (2024) *Chair’s Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation*.

Ecologically just approach to taxation

Tax systems everywhere fail to internalize the socio-ecological costs of extraction to society, enabling continued environmental devastation. The extraction and processing of natural resources account for around half of all greenhouse gas emissions driving climate change and over 90% of biodiversity loss and water stress impacts.³³ Tax havens and financial secrecy enable illicit commercial activities that cause biodiversity loss (including illegal deforestation, fishing, wildlife trade, and mining).³⁴ Rich, polluting countries concentrated in the Global North reap most of the economic rewards of this arrangement, and so they actively challenge measures that address the root economic drivers of climate change and biodiversity loss (as illustrated by the 8 countries that voted against the UN Tax Convention, all of which were from the Global North).³⁵

To ensure that environmental fiscal policies like fossil fuel taxes and subsidy cuts are both ecologically just and socially progressive, they must be paired with equitable and effective alternatives. For instance, taxing fossil fuels without simultaneously investing in zero-carbon transport and heating disproportionately affects low-income households. In this case, targeted subsidies for transport and heating could be provided to low-income groups to offset the impacts of fossil fuel taxes and subsidy removals. More broadly, revenue from taxes or subsidy removals should be channelled towards universal social protection, supporting a just transition that aligns with the principles of decoloniality, feminism, progressivity, and ecological justice.

Tax also provides a critical source of revenue for climate action and nature conservation and restoration. To illustrate, Peru needs USD \$73 million annually to close its biodiversity finance gap—but loses 15 times that amount (USD \$1.2 billion) to tax abuse and 40 times that (USD \$2.9 billion) to IFFs more generally.³⁶ Countries with insufficient tax revenues and large IFFs may take on greater external debt as a source of financing and liquidity, which then places greater pressure on countries to scale up extractive industries to repay this debt.³⁷

In part due to colonial legacies in tax policy, not all countries rely on taxation to raise critically-needed revenue. In cases where countries can depend on extractive industries to fill their state coffers, they have not developed the tax administrative capacities, legislation, or wider social contract needed to levy taxes—a trajectory that must be changed to break out of cycles of extraction and redistribute resources away from the wealthiest individuals and most profitable corporations. This “resource curse” phenomenon can be observed in oil and gas-dependent Nigeria, where the tax-to-GDP ratio is 6.7% compared to a regional average of 15.6%.³⁸

³³ Markus Trilling (2024) *Make polluters pay - How to tax excessive ecological footprints*, Eurodad; UNEP (n.d.) *Why does extractives matter?*

³⁴ Jessica Dempsey et al. (2022) *Biodiversity targets will not be met without debt and tax justice*, *Nature Ecology & Evolution* 6.

³⁵ Ibid.

³⁶ Jessica Dempsey et al. (2022) *Biodiversity targets will not be met without debt and tax justice*, *Nature Ecology & Evolution* 6; Andrea Podestá, Michael Hanni, and Ricardo Martner (2017), *Flujos financieros ilícitos en América Latina y el Caribe*, CEPAL.

³⁷ Jessica Dempsey et al. (2024) *Exporting Extinction: How the international financial system constrains biodiverse futures*, *The Centre for Climate Justice, Climate and Community Project, and Third World Network*.

³⁸ OECD (2023) *Revenue Statistics in Africa*.

ECOLOGICALLY JUST

RELEVANT TAX FUNCTIONS (FIVE RS)

- **Revenue:** Funding for climate mitigation, adaptation, loss and damage, and nature conservation and restoration. However, in certain cases like fossil fuel companies, it is important to prioritize the tax function of repricing (i.e. internalizing the cost of a socially harmful good), not revenue. This means taxing fossil fuels out of existence, rather than justifying their continued existence by relying on the revenue from taxing them.³⁹
- **Redistribution:** Curbing the spending power of the wealthy, as their consumption disproportionately drives ecological destruction (e.g. emissions from private jets and the material footprint of their mansions, mega-yachts, air conditioning use, etc.).
- **Repricing:** Pricing emissions, excessive material footprints, and other forms of environmental impact to incentivize companies from methods of production that are ecologically damaging and to tax excessive polluters out of existence.
- **Reparations:** As the wealthiest countries and individuals are the primary drivers of the climate and biodiversity loss crises, they owe an ecological and financial debt to those who suffer the worst consequences of ecological disaster (while having done the least to cause it).

HOW TAX SHOULD BE COLLECTED

A greater share of tax contributions should come from the polluting and extractive corporations and individuals that are disproportionately responsible for driving the climate crisis and biodiversity loss (especially the polluters based in rich, Global North countries).

EXAMPLES OF TAX (I.E. WHAT SHOULD BE TAXED)

Green corporate, capital, and wealth taxes (on profits, capital gains, and/or wealth derived from extractive, polluting activities and assets), taxes on private overconsumption of energy and resource-intensive goods, ecological footprint taxes on corporations and individuals (accounting for resource-, material-, land-, and water-use footprints, and GHGs),⁴⁰ a Climate Damages Tax (a per ton tax on the greatest polluting companies),⁴¹ and windfall taxes on oil and gas companies.⁴²

³⁹ Fadhel Kaboub (2024) *Decolonizing the International Tax System*, Tax Justice Network Africa.

⁴⁰ Markus Trilling (2024) *Make polluters pay - How to tax excessive ecological footprints*, Eurodad.

⁴¹ Sindra Sharma and David Hillman (2024) *The Climate Damages Tax: A guide to what it is and how it works*, Stamp Out Poverty.

⁴² Mukupa Nsenduluka and Rachel Etter-Phoya (2023) *The Principles of Tax Justice and the Climate Crisis in Africa's Resource-Rich Nations*, Feminist Action Nexus for Economic & Climate Justice, Tax Justice Network, and Tax Justice Network Africa.

ECOLOGICALLY JUST

FROM REVENUE TO SPEND

Revenues from ecological taxation should be ring-fenced for climate mitigation (including regenerative agricultural practices, improvements to energy efficiency, and transitioning to renewable energy—although not large-scale and extractivist forms of renewable energy that are environmentally damaging or displace local communities); climate adaptation (particularly locally-led adaptation solutions, such as community-led ecosystem restoration); addressing loss and damage from the irreversible impacts of climate change (such as those caused by floods and other climatic shocks); and nature conservation and restoration.

BROADER TAX POLICY RECOMMENDATIONS

- Introduce a higher global minimum corporate tax on the most polluting companies (i.e. if all multinational corporations must pay a minimum of 25% in corporate income tax, excessive polluters must pay more).
- Ensure financial transparency in sectors linked to biodiversity and forest loss, including to combat illicit fishing, deforestation, farming, wildlife trade, and mining. As illicit commercial activities cannot be taxed, transparency will also enable greater taxation and revenue, especially in the Global South.
- Ensure that carbon taxes are set at a high enough rate to penalize top producers and disincentivize consumption and production. If taxation rates are too low, it will not drive the necessary shift away from fossil fuels, and it may enable reliance on the revenues from taxation.
- Offset the impacts of carbon taxes on lower-income groups through green and just spending, channeling revenues from carbon taxes towards an equitable transition, including spending on universal social protection.
- Distribute revenues obtained from fossil fuel industries through a “cap and share” style system, which works as follows: fossil fuel companies have a maximum **cap** on the amount of fossil fuels they can extract, which lowers annually until reaching zero; fossil fuel companies are **charged** for every tonne of CO₂ extracted; revenues from the charge are used to **fund** a democratically-operated Global Commons Fund to invest in a just transition and **shared** with all citizens of the world as a Universal Basic Income to eliminate global poverty and help people cope with the climate crisis.⁴³

⁴³ Cap and Share Climate Alliance (CASCA) and Equal Right (n.d.) [Climate Justice Without Borders: How Cap and Share can end fossil fuel extraction and raise trillions for climate finance](#). See also Emilia Reyes (2024) [Degrowth for Multilateral Activism](#), *Feminist Action NExus for Economic & Climate Justice*, which includes a detailed discussion of cap, share, fee and dividend.

Decolonial approach to taxation

A truly progressive tax justice agenda must embrace decolonial principles. Much of today's wealth stems from colonial-era exploitation of labor and resources, including slavery. Beyond individual wealth, the Global North as a whole owes its prosperity to colonial extraction from the South, as this extraction fuelled industrialization and the establishment of corporate structures in the North.⁴⁴ Even today, multinational corporations (and individuals) headquartered in the Global North are able to continue exploiting “cheap” labor and resources in the Global South due to colonial legacies. Having already dispossessed the Global South, those same corporations steal even more wealth by shifting their profits elsewhere to avoid taxation.

This context is crucial to understanding why taxation, to be truly just, must reckon with the colonial roots of global inequality. For instance: the United States has the highest number of ultra-high-net-worth individuals (UNHWIs, people with assets valued at over USD \$30 million) in the world.⁴⁵ Taxing their wealth to fund public services in the US ignores the fact that rich Americans built their wealth through colonial exploitation and global value chains that extract labor and resources from the Global South.⁴⁶ In this case, the enjoyment of public services by Americans would be subsidized by labor from the Global South. This is why any proposal for a global minimum wealth tax on the richest (which has been proposed at 2%)⁴⁷ must be accompanied by resource redistribution at the global level, as a form of reparational justice. While no mechanism currently exists to facilitate such a transfer, a decolonial approach to the new UN Framework Convention on International Tax Cooperation, for example, could advance the feasibility of this objective.

From a decolonial perspective, tax revenues can and should be used to pay reparations for historical and ongoing injustices including colonialism. This should include transfers from the North to the South, but also to racialized communities in the Global North, including Afrodescendant communities and Indigenous peoples in settler-colonial states or former imperial powers. Colonial theft through slavery and appropriation of resources is not simply an injustice of the past. It has driven present-day outcomes that limit racialized peoples' rights and liberation while systematically blocking their ability to accrue power or resources. Racialized people in the Global North are disproportionately earning lower incomes, being incarcerated, and receiving lower quality public goods and services.⁴⁸ Reparations, funded by taxation, are a step towards addressing this.

Tax abuse by wealthy individuals and corporations is also a well-recognized issue across the Global South. In line with this, the Africa Group's leadership in pushing for a binding UN Framework Convention on International Tax Cooperation has come to fruition, driving real momentum for ending cross-border tax abuse.⁴⁹ The African Union ties this effort to 2025 being the “year of reparations” and the recent passing of the Common African Position on Asset Recovery (CAPAR), which focuses on reclaiming stolen assets often hidden in the Global North and tax havens.⁵⁰ However, decolonial perspectives must not be co-opted by wealthy elites and corporations in the Global South, who also contribute to tax injustice and benefit from colonial legacies. They, too, use offshore tax havens, sell off land to the highest bidder, and engage or collaborate in illicit logging, fishing, and other corrupt activities driving tax losses and IFFs.

⁴⁴ Walter Rodney (1972) *How Europe Underdeveloped Africa*, Howard University Press.

⁴⁵ Knight Frank (2024) *The Wealth Report 2024*.

⁴⁶ David Harvey (2009) *View of The 'New' Imperialism: Accumulation by Dispossession*, *Socialist Register* 40(2004); Jason Hickel, Morena Hanbury Lemos, and Felix Barbour (2024) *Unequal exchange of labour in the world economy* | *Nature Communications*, *Nature Communications* 15(6298).

⁴⁷ Gabriel Zucman (2024) *A blueprint for a coordinated minimum effective taxation standard for ultra-high-net-worth individuals*, *EU Tax Observatory*.

⁴⁸ Decolonising Economics (2022) *Tax as a tool for racial justice*.

⁴⁹ Civil Society Financing for Development Mechanism (2023) *More than 200 organisations and trade unions call for the adoption of the Africa Group resolution on a UN Tax Convention*, *Eurodad*.

⁵⁰ African Union (2022) *Common African Position on Asset Recovery (CAPAR)*.

DECOLONIAL

RELEVANT TAX FUNCTIONS (FIVE RS)

- **Revenue:** Funding for climate, development, public services, and other forms of spending for social and ecological wellbeing that benefits the Global South and structurally marginalized people in the Global North.
- **Redistribution:** Redistributing resources away from wealthy elites (from the North and South) and multinational corporations, and towards the people in the Global South and structurally marginalized people in the Global North, who have had their labor and resources stolen from them.
- **Reparations:** As above, redistributing resources in a way that redresses historical and ongoing injustices.

HOW TAX SHOULD BE COLLECTED

The greatest share of tax contributions must come from the most profitable corporations and highest-income earners, recognizing that these actors have disproportionately benefited from colonial-era extraction of labor and resources from the Global South.

EXAMPLES OF TAX (I.E. WHAT SHOULD BE TAXED)

Given that colonial injustices largely manifest as inequalities in income and carbon/material/ecological footprint, examples of taxes can be found in the table under “Progressive approach to taxation” and “Ecologically just approach to taxation.” This could include income, wealth, or windfall taxes (with extreme levels of wealth taxed at the highest rates), or taxes on excessive ecological footprints.

FROM REVENUE TO SPEND

Where wealth and corporate taxes are levied and spent in Global North countries where that wealth or profit is declared, some of this tax revenue should be used to pay colonial exploitation-related reparations. This includes reparations (i) from the Global North to the Global South, and (ii) within the Global North to mitigate the consequences of colonial injustices, particularly for Afro-descendant communities and Indigenous peoples.

The tax revenue could be spent on various forms of reparations. This includes: a basic income payment to those with the lowest resources, who are often over-represented by historically marginalized groups; universal public goods and services that historically marginalized people disproportionately benefit from; climate finance for mitigation, adaptation, and loss and damage (as climate reparations link to the Global North’s excessive cumulative historical emissions since the industrial era); and direct reparations paid by Global North states to Global South ones, as seen in the ongoing reparations negotiations related to the Herero-Nama genocide in Namibia under German colonial rule,⁵¹ and similar calls in Kenya.⁵²

⁵¹ Nosmot Gbadamosi (2024) [Namibia Calls for Reparations Talks With Germany](#), *Foreign Policy*.

⁵² Medhi Alavi (2023) <https://www.fairobserver.com/world-news/british-genocide-in-kenya-time-for-a-reckoning/>, *Fair Observer*.

BROADER TAX POLICY RECOMMENDATIONS

- Repeal the use of tax incentives/exemptions/holidays that are used to attract foreign direct investment but in reality amount to a subsidy for already lucrative multinational corporations that extract more than they give back.
- Advocate for the United Nations Framework Convention on Tax to end cross-border tax abuse and address the colonial asymmetries embedded in the current OECD-dominated tax system.
- Reform harmful spillovers of domestic tax policy (e.g. countries like Switzerland and Ireland, whose low corporate taxes encourage profit-shifting and so drain potential tax revenue away from the Global South).⁵³
- Allocate greater taxing rights to the Global South countries impacted by colonial-era injustices and ecological crisis. For instance, a global minimum corporate or wealth tax should provide taxing rights to the Global South countries where wealth is extracted from and that are more vulnerable to the climate crisis. To illustrate: if a fossil fuel company like Shell is accelerating climate impacts in Bangladesh, part of its excess profits must be allocated as taxable revenue in Bangladesh (instead of its headquarters in the Global North).

Systemic transformations in the broader tax structure

As recognized under some of the broader tax policy recommendations, a crucial component of tax justice is strengthening the global tax system to end cross-border tax abuse, prevent all forms of IFFs, and implement global minimum taxes on wealth and profit. A binding and well-enforced UN Framework Convention on International Tax Cooperation is key to this transformation, emphasizing the need for taxation to be progressive, feminist, ecologically just, decolonial, and aligned with human rights obligations. The final Terms of Reference (ToR) for the Convention was agreed in August 2024, with negotiations to proceed over the course of 2025 to 2027 to decide the reference text for international tax cooperation. While the ToR did not explicitly mention gender (despite the Africa Group's original resolution) or progressivity (advocated by Brazil), it did link tax to environmental protection, emphasize fairness between countries, support taxing the ultra-rich, and retain a mention of human rights.⁵⁴

Illicit financial flows and taxation

IFFs are “financial flows that are illicit in origin, transfer, or use that reflect an exchange of value and that cross country borders.” The four main types of activities that can generate IFFs are (1) tax and commercial activities, (2) illegal markets, (3) corruption, and (4) exploitation-type activities and financing of crime and terrorism.⁵⁵ Similarly, the Mbeki Panel Report in 2015 outlined four types of IFFs: (1) laundering criminal proceeds, (2) abuse of power, (3) tax abuse, and (4) regulatory/market abuse. Though not always illegal, IFFs always go against established rules and norms, including the legal obligation to pay tax.⁵⁶ In 2022, UNCTAD outlined the key origins, transfer mechanisms, destinations, and enablers of IFFs.⁵⁷

⁵³ Kate Donald (2017) *Squeezing the State: corporate influence over tax policy and the repercussions for national and global inequality*, *Spotlight on Sustainable Development*.

⁵⁴ Tove Ryding (2024) *UN Tax Convention negotiations: New draft text shows that an ambitious outcome is still within reach*, *Eurodad*; UN General Assembly (2024) *Chair's Proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation*.

⁵⁵ UNCTAD and UNODC (2020) *Conceptual framework for the statistical measurement of illicit financial flows*.

⁵⁶ UNECA (2015) *Report of the High Level Panel on Illicit Financial Flows from Africa*.

⁵⁷ UNCTAD (2020) *Economic Development in Africa Report 2020*.

Existing tax treaties enable tax abuse and allow rich countries to pressure lower-income ones into accepting highly restrictive conditions that take away their rights to tax—with the lowest-income countries giving up the most tax rights.⁵⁸ These treaties can and must be canceled and re-negotiated.⁵⁹ Some of the most corrosive of these treaties are double taxation agreements (DTAs), which in theory are in place to avoid the same income from being taxed twice but in practice often allow multinational corporations to avoid paying tax altogether. In 2015, Sub-Saharan Africa had at least 300 double tax agreements in force, most of which were signed with European countries that dangle promises of “foreign direct investment.”⁶⁰

The UN Tax Convention provides an avenue to replace the incoherent and complex network of bilateral and multilateral treaties with a coherent global framework. At the UN, countries have equal footing on the basis of one country, one vote (instead of votes based on economic contributions, like at the IMF). The UN is the appropriate space to ensure procedural and substantive fairness, so governments may better cooperate in generating financing for development, combating illicit financial flows, recovering and returning stolen assets, and promoting financial integrity for sustainable development.

BLOCKERS OF TAX JUSTICE AND COMMON ANTI-TAX NARRATIVES

Low taxes on income and profits are a cornerstone of the right-wing neoliberal policy that originated in the Global North and has been imposed across the Global South. This narrative posits that lower taxes spur economic growth, job creation, and innovation—despite stark evidence that tax cuts actually increase income inequality and primarily benefit the wealthy.⁶¹ Many who would benefit from progressive taxes on wealth, income, and profit have fallen in line with anti-tax discourses that serve the rich, such as the claim that “taxation is theft” and that people, not the state, should get to decide how they spend their money.⁶² A key challenge to this narrative is the fact that wealth and profits are only possible through the societal infrastructure, laws, and services that are funded by taxes. Taxes are a legitimate part of the social contract because they support the structures that enable wealth creation—giving governments the *right* to redistribute wealth for public benefit.⁶³

Multinational corporations (most of which are headquartered in the Global North) and their wealthy executives and shareholders have been able to exert extreme levels of influence over tax policy. Of the top 200 global economic entities, 157 are corporations, not countries. With their economic clout, corporations have successfully pushed for tax loopholes, tax incentives, low tax rates, and financial secrecy regimes to further reduce their tax contributions.⁶⁴ In one US based study, researchers have shown that tax lobbying can generate returns of up to 22,000% for multinational corporations.⁶⁵ Though many corporations do not explicitly propagate anti-tax narratives, their lobbying efforts alone demonstrate their stance and vested interests in undermining progressive taxation.

58 AU/ECA Conference of Ministers of Finance, Planning and Economic Development (2015) *Report of the High Level Panel on Illicit Financial Flows from Africa*, UN Economic Commission for Africa; ActionAid (2016) *Mistreated: The tax treaties that are depriving the world's poorest countries of vital revenue*.

59 ActionAid (2016) *Mistreated: The tax treaties that are depriving the world's poorest countries of vital revenue*.

60 Martin Hearson (2015) *Tax treaties in sub-Saharan Africa: a critical review*, Tax Justice Network; Amy Hall (2023) *Tax Justice Network Africa's historic win*, *New Internationalist*.

61 Michael J. Graetz (2024) *The Power to Destroy: How the Antitax Movement Hijacked America*, Princeton University Press.

62 Ibid.

63 Liam Murphy & Thomas Nagel (2002) *The Myth of Ownership: Taxes and Justice*, Oxford Academic.

64 Oxfam America (2018) *Dollars and Sense: Corporate responsibility in the era of Trump*; Kate Donald (2017) *Squeezing the State: corporate influence over tax policy and the repercussions for national and global inequality*, *Social Watch*; Isabelle Büchner et al. (2021) *The Right Incentives? The Risks of Undue Influence in Tax Policy*, *Transparency International*.

65 Raquel Meyer Alexander, Stephen W. Mazza, and Susan Scholz (2009) *Measuring Rates of Return for Lobbying Expenditures: An Empirical Case Study of Tax Breaks for Multinational Corporations*, *Journal of Law and Politics* 25(401).

The World Bank and IMF also play a significant role in obstructing tax justice by promoting neoliberal (i.e. free market-oriented) policies across the Global South. The IMF often attaches conditions to their loans to enforce “fiscal consolidation,” involving a host of austerity and liberalization measures.⁶⁶ These loan conditions frequently push for regressive indirect taxes like VAT, without considering the disproportionate burden on low-income populations and the negative impacts on gender equality.⁶⁷ In line with their broader view that taxes constrain competition and efficiency, the IMF has discouraged windfall taxes on the fossil fuel sector, arguing that such measures might deter long-term investments in energy.⁶⁸

Similarly, the World Bank favors countries with lower taxes and less social protection, evaluating them as offering better business environments. Under the (now retired) *Doing Business* rankings, the World Bank awarded points to India for cutting corporate income taxes and contributions to employee retirement schemes; Hungary and Kazakhstan for reducing social tax rates; and Georgia for eliminating social security contributions. The rankings are influential on both investor preference and national policy-making, with countries like India and Indonesia setting economic policy with the goal of improving their rankings.⁶⁹ Though the rankings were scrapped in 2021 after a law firm revealed manipulation of the rankings, its replacement—the *Business-Ready (B-Ready)* framework—continues to recommend a regressive approach to tax.⁷⁰

While both institutions are becoming more open to some degree of progressive taxation to tackle inequality and some aspects of wealth taxes,⁷¹ they remain largely against wider use of wealth taxes and raising corporate taxes. Largely, they retain a focus on regressive indirect taxes, especially in country advice and loan conditionalities. Both institutions rationalize their focus on indirect taxes by arguing that these are easier to implement in jurisdictions with a weak tax infrastructure (e.g. for enforcement and collection) and avoid stifling business innovation, unlike direct (progressive) taxes. This demonstrates a narrow conception of tax that relegates it to its revenue-raising role, ignoring its potential for redistribution, repricing, representation, reparations, and fulfilling economic and social rights, while simultaneously exacerbating inequality (as regressive taxation is prone to do).⁷²

⁶⁶ ActionAid (2023) *FIFTY YEARS OF FAILURE - The International Monetary Fund, Debt and Austerity in Africa*.

⁶⁷ Lauren Damme, Tiffany Misrahi & Stephanie Orel (2008) *The IMF's regressive secret: Tax policy advice and its distributional impact*, *The Bretton Woods Project*.

⁶⁸ International Monetary Fund (2022) *Fiscal Monitor: Helping People Bounce Back*.

⁶⁹ Flora Sonkin and Bhumi Muchhala (2021) *It's time for the World Bank to scrap its Doing Business rankings*, *Al Jazeera*.

⁷⁰ World Bank (2024) *Business Ready*. See also Alex Cobham (2022) *What the BEEP? The World Bank is Doing Business again*, *Tax Justice Network*.

⁷¹ Christopher Hoy and Chiara Bronchi (2022) *Why does the progressivity of taxes matter?*; IMF (2024) *How to tax wealth?*

⁷² Global Alliance for Tax Justice et al., (2021) *Framing Feminist Examples: with Examples from Uganda*.

POLITICAL OPPORTUNITIES TO ADVANCE GLOBAL TAX JUSTICE

Over the next few years, including through the immediate process towards a fourth International Conference on Financing for Development (FfD IV), civil society organizations and social movements have many opportunities to advance tax justice. The upcoming three years of negotiations over the UN Tax Convention and its implementation protocols will be crucial, especially given the conspicuous absence of gender in the Convention's ToR. Tax justice advocacy should also extend beyond economic forums like the IMF and World Bank Annual Meetings to also include gender- and environment-specific platforms, as highlighted in the timeline below outlining key political opportunities.

FEB 2024	MAR 2025	APR 2025	JUN 2025
Start of UN negotiations over the text of the UN Tax Convention and two early protocols	69th session of the Commission on the Status of Women (CSW69)* and Beijing+30 (30 years since Beijing Declaration and Platform for Action)	Preparatory Committee session for Fourth International Conference on Financing for Development Spring Meetings of the IMF and World Bank*	Fourth International Conference on Financing for Development
	NOV 2025	OCT 2025	JUL 2025
	30th Conference of the Parties (COP30) to the United Nations Framework Convention on Climate Change (UNFCCC)*	Annual Meetings of the IMF and World Bank*	High-level Political Forum on Sustainable Development (HLPF) 2025*

*Indicates a political opportunity that occurs annually

Civil society organizations must also challenge the unfair tax and trade agreements that their governments are signing on to. Pan-African feminist groups FEMNET and the Nawi Collective have highlighted how agreements like the African Continental Free Trade Area perpetuate tax injustice by lowering import and export taxes, undermining state provision of public services.⁷³ In 2014, Tax Justice Network Africa successfully sued Kenya's government over its agreement with tax haven Mauritius, arguing that the tax agreement was unconstitutional due to its lack of transparency and public involvement. The agreement was voided in 2019, demonstrating an exemplary case of civil action against unjust tax governance.⁷⁴

Finally, civil society must more broadly consider the actors it is scrutinizing in global economic governance. Traditionally, the focus has been on the G20, OECD, and IMF for their role in tax standard-setting. There exists, however, a lesser-known network of decision-making bodies that wield significant influence over financial standards. This includes the Financial Action Task Force, Bank of International Settlements, Basel Committee on Banking Supervision, Financial Stability Board, International Accounting Standards Board, and International Organization of Securities Commissions. Operating in obscurity, these institutions—which are mostly made up of wealthy country members—set global tax and transparency standards with little opposition, making it critical for civil society to pay better attention to and expose their activities.⁷⁵

As justice-oriented movements and governments together seek to transform the landscape of economic and financial governance—through both climate and development financing negotiations including FfD IV—getting taxation right is of fundamental importance. This paper outlines the beginning of a vision around a progressive, feminist, ecologically just, and decolonial approach to taxation, as part of this broader understanding of fiscal justice and a rights-based economy, and as an offering to these actors in their efforts to envision and implement a fairer tax system at both global and national levels.

⁷³ Chenai Mukumba (2024) *An exploration of the African Continental Free Trade Area through a feminist tax justice lens*, Nawi – Afrifem Macroeconomics Collective; Fatimah Kelleher (2024) *The African Continental Free Trade Area (AfCFTA) and Women: A Pan African Feminist Analysis*, FEMNET.

⁷⁴ Amy Hall (2023) *Tax Justice Network Africa's historic win*, New Internationalist.

⁷⁵ Financial Transparency Coalition (2017) *Who Makes the Rules on Illicit Financial Flows? Six Financial Institutions You've Never Heard of...*



GLOSSARY

Base erosion and profit shifting (BEPS):* A term used primarily by the OECD, referring to strategies by multinational corporations to exploit tax loopholes and shift profits to low- or no-tax jurisdictions, as a result eroding the tax base and reducing revenue in the countries where income is earned.

Consumption tax: Taxes on spending for goods and services, typically indirect in nature (i.e. not paid directly to the government). Examples include value-added tax (VAT), sales tax, and excise tax.

Corporation tax (or corporate income tax): A tax levied on a business's profits, with the amount owed determined by the company's location and the profit it generates.

Double taxation agreements (DTAs): Bilateral treaties between two countries aimed at preventing double taxation on cross-border investments. These agreements often enable investors to move their funds to countries with favorable DTAs to avoid taxes, and developing countries are frequently pressured into DTAs that limit their ability to generate tax revenue.

Illicit financial flows: Cross-border movements of funds that are illegal in origin, transfer, or use, involving an exchange of value. They typically arise from four activities: (1) tax evasion and commercial misconduct, (2) illegal markets, (3) corruption, and (4) exploitation and financing of crime.

Income: The flow of money earned over a specific period, typically from wages, salaries, business profits, or investments. Income is often used as a basis for progressive taxation, where higher earners pay a larger proportion of their income in taxes. Income taxes are a much more common form of progressive tax compared to wealth taxes (see "Wealth" below).

Multinational corporation: A business that operates in countries besides its home base, typically with offices, factories, or other facilities spread across various countries. Global operations are usually coordinated from a centralized head office. MNCs commit the majority of tax abuse, as their international presence enables them to exploit tax loopholes, shift profits to low-tax jurisdictions, and engage in strategies that reduce their overall tax obligations, often at the expense of tax revenues in the countries where they operate.

Progressive tax: A tax where individuals with greater resources pay a higher proportion of their income compared to those with lower incomes. Commonly applied to income taxes, it features rising marginal rates as income levels increase.

Regressive tax: A tax where everyone pays the same rate or amount, regardless of income or ability to pay. This disproportionately impacts lower-income individuals, who spend a larger share of their income on the tax compared to wealthier individuals. Most consumption taxes are considered regressive.

Tax: A fee imposed by a government or other authority on income, transactions, goods, or activities to fund (public) expenditures.

Tax abuse: A term used by tax justice advocates to encompass both "legal" tax avoidance and "illegal" tax evasion. The term highlights the exploitation of laws and financial mechanisms to underpay taxes, and avoids the misconception that all tax avoidance is entirely legal.

Tax avoidance: The practice of structuring finances or accounts to minimize taxable income, often by identifying and exploiting loopholes in tax laws across different jurisdictions. Though technically legal, in many cases the legal-illegal distinction is unclear until challenged in court; in many cases, instances of tax avoidance are found to be illegal. This grey area can be contrasted with tax evasion, which is illegal.

Tax break/holiday/incentive: Tax incentive is the broadest term, encompassing various measures that reduce the tax contribution from businesses or individuals to promote specific behaviors, which is typically (foreign) investment. Tax breaks are a subset of tax incentives and refer to reductions, exemptions, or credits that lower the amount of tax owed, either temporarily or permanently. Within this category, tax holidays are a specific type of tax break that offers temporary exemptions from certain taxes, often granted to businesses for a defined period.

Tax burden: The total amount of tax paid by an individual, business, or group, often expressed as a percentage of income, profit, or economic activity. However, tax justice advocates critique the term “burden,” emphasizing that taxes fund essential services and uphold the social contract, rather than being a negative obligation. The term “tax burden” is therefore replaced by “tax contribution” in this brief.

Tax competition:* The practice of countries competing to attract business investment by reducing tax rates or offering special exemptions. This widespread use of tax incentives is often criticized for contributing to a “race to the bottom.”

Tax evasion: The illegal act of avoiding tax obligations by deliberately underreporting income, overstating deductions, or failing to pay taxes owed.

Tax haven: A jurisdiction offering financial secrecy and favorable tax rules, often undermining the regulations of other countries. Tax havens typically feature low or zero corporate tax rates and high levels of financial secrecy, attracting individuals, companies, or organizations that are not resident there. There is no internationally agreed-upon definition of a tax haven.

Tax planning:* The process of developing strategies, often with the help of accountants or lawyers, to legally reduce, defer, or minimize tax liabilities.

Wealth: The total value of an individual’s assets, such as property, investments, savings, and other financial holdings, minus any debts. Taxes on wealth may include estate or property taxes. These are often much less common than income taxes, as they are unpopular among the rich. There are, however, proposals for a global minimum tax on wealth, such as those advanced by the G20 Brazil 2024 Presidency—distinct from a tax on income (see “Income” above).

**While these terms do not appear in this brief, they are nonetheless helpful to understand for tax justice advocacy.*