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Tracing the history of tax justice: An independent assessment of 20 years of the Tax Justice Network, 2003 - 2023

On Think Tanks

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1. Executive Summary

This work presents an assessment of the Tax Justice Network's 20-year history by way of a retrospective study and includes a series of outcome stories that highlight three of its significant impacts on the tax justice space.

The report identifies nine pivotal moments in the recent history of tax justice, selecting those moments with special relevance for narrative, movement, and policy change.

Subsequently, it determines if and how the Tax Justice Network exerted any influence on their occurrence, with special attention given to the mechanisms that triggered change. We contend that, by discerning the mechanisms that drive change, we may also offer valuable insights for future action.

We rely on empirical evidence, benchmarks, and qualitative data to test our arguments. It is important to note that our findings do not claim to be definitive, but rather aim to present a plausible narrative of the Tax Justice Network's impact on tax justice.

The initial milestone is the publication of the Oxfam paper in 2000, addressing the relationship between taxation and development. This paper set forth a fresh working agenda for international non-governmental organisations and development enthusiasts. In this instance, the influence on the publication is primarily attributed to John Christensen and Sol Picciotto, who subsequently founded the Tax Justice Network, and contributed to the drafting and review of the paper. Following its release and driven by his professional background in Jersey, John Christensen harnessed his entrepreneurial and visionary qualities to establish the Tax Justice Network. We contend that this entrepreneurial dynamic holds the potential to be highly beneficial for creating new civil society organisations that foster an understanding of the intricate interplay between taxation and development in areas of the Global South where the tax justice movement is still absent.

The second milestone pertains to the establishment of Tax Justice Network Africa (TJN-A) in 2007 and its pioneering example as an independent organisation within the field. We argue that the Tax Justice Network served as a source of inspiration for numerous individuals who subsequently founded their own tax justice organisations, either within their respective regions or aligned with their areas of expertise. Consequently, we have identified 29 organisations that have emerged since 2005, founded by individuals with some affiliation to the Tax Justice Network. We contend that this inspirational influence also extends to the individual level. The original network of academics and those inclined towards scholarly pursuits at the Tax Justice Network nurtured and inspired a new generation of research professionals. We assert that this phenomenon arises from a diffusion mechanism, informally defined as the transmission of everyday practices within closely-knit ecosystems. Lastly, we maintain

that a conscious awareness of this diffusion mechanism could prompt deliberate efforts to encourage tax justice organisations, advocates, or researchers in regions where the tax justice movement has yet to take root.

The third milestone involves the normalisation of Country-by-Country Reporting (CBCR) as an international tax standard. Although aware of some historical references, Richard Murphy is underscored as the central figure in the creation of this standard. In this case, we believe a series of connected variables explain the progressive adoption of this standard; Among others, these include the Tax Justice Network's groundwork between 2003 and 2007, and the part it played in helping media and social justice supporters to make sense of the financial crisis in 2008, though the aggravating misconduct of multinational corporations also contributed to this process. And finally, the capacity of John Christensen, Richard Murphy, and later Alex Cobham, to navigate between multiple spheres and disciplines with proficiency and familiarity.

The fourth milestone is the financial crisis of 2008. While originating as an external shock, this crisis is continually cited as a turning point that heightened awareness regarding the imperative to oversee the financial conduct of multinational corporations. The crisis instigated a shift in the prevailing narrative, and it is acknowledged that the Tax Justice Network played a role in shaping this transformation. This was achieved through the prior development of a policy platform and the establishment of robust partnerships with development agencies, grassroots movements, and media outlets. This experience, coupled with the subsequent impact of various leaks including the Panama Papers, underscores the notion that economic crises represent periods during which the pace of change can be accelerated.

The fifth milestone is related to the appearance of two knowledge tools that helped the narrative landscape of the tax justice movement; The Financial Secrecy Index and the Corporate Tax Haven Index have influenced the way tax justice is measured, and the understanding of the empirical distribution of the problem at both individual and corporate levels. We argue that the academic rigour of the indices, coupled with the ability to translate them into a comprehensive and straightforward narrative, were the mechanisms activated by the Tax Justice Network to establish them as the key measurement tools of (international) tax justice. As the indices continue to be produced, they have been revised periodically, and their validity and reliability has resulted in increasing policy influence, for example, in estimating the burden of illicit financial flows. We argue that the continuous production of indices is aligned with the goals of professionalisation, sustainability, and growth of the Tax Justice Network, and their consistency will serve knowledge production in the long term.

The sixth milestone examines Global Alliance for Tax Justice (GATJ), specifically its formation and separation from the Tax Justice Network. This milestone holds significant importance in terms of movement building and shifting narratives. Although initially a challenging situation, it ultimately resulted in diversifying the tax justice

movement, both in terms of the agenda for tax justice and the regional representation of its advocates. The GATJ swiftly established itself as an independent and influential force within the tax justice movement, and the relationship with the Tax Justice Network has been reinvigorated recently. Our contention here is that there remains ample opportunity to further enhance collaborative efforts, particularly in two key areas: conducting scientific research that utilises the Tax Justice Network's research and indices to shed light on contexts in the Global South, and collaborative initiatives aimed at bolstering expertise in highly technical tax matters.

The seventh milestone references the Lima and Bogota Declarations, marking two significant occasions when human rights and a gender perspective were firmly integrated into the broader agenda of the tax justice movement. The enduring impact of these events is evident in the Tax Justice Network's advocacy agenda, its active participation in working groups, and its collaboration with relevant United Nations (UN) agencies. During these, the Tax Justice Network assumed a collaborative role by organising the meetings and fostering dialogues. We contend that serving as a credible facilitator of global gatherings with a prominent focus on the Global South is a valuable position to occupy. This fosters trust and encourages the generation of innovative ideas.

The eighth milestone revolves around the push for a UN tax convention, a proposal of paramount importance for both narrative change and policy reform. In terms of narrative, it has amplified the voices advocating for a departure from the Organisation for Economic Co-operation and Development (OECD) tax framework, underscoring its adverse impact on developing nations. Simultaneously, a UN tax convention carries significant practical implications for the equitable distribution of taxing rights and benefits globally. We argue that the Tax Justice Network has consistently advocated for a UN tax convention and examine its influence by showing that the majority of pivotal documents advocating for such a convention reference the Tax Justice Network and the substantial empirical evidence it has accumulated over the years. Therefore, the Tax Justice Network laid the empirical foundation to substantiate this policy shift. Regarding the implications, we submit that there is an opportunity for the Tax Justice Network to actively engage in proposing an independent institutional framework for future UN tax governance.

The ninth and final milestone showcases the State of Tax Justice reports. Commencing in 2020, these reports appear to have consolidated the issue of tax justice within adjacent sectors such as sustainable development. Aligned with the broader trend of generating reports that encapsulate the annual state of affairs within specific fields, the State of Tax Justice reports estimates the costs of international tax abuse. This series has firmly established the recognition that corporate and individual tax abuses together amount to approximately \$500 billion (USD) annually. This contribution significantly enriches the collective narrative by affixing a specific magnitude and quantifiable burden to the issue, while also delineating its geographical distribution. We contend that estimating tax losses in terms of the depletion of public resources also represents

an effective strategy for anchoring this information among a wider audience. Finally, we argue that these documents draw on nearly two decades of continuous research efforts, enabling the Tax Justice Network to operate as a comparably cost-effective organisation, capable of producing robust outputs expeditiously and relying predominantly on its in-house expertise.

Apart from depicting mechanisms and implications for the future, we conclude the assessment report with key findings and three outcome stories. Among the findings, our evaluation team has observed that the Tax Justice Network stands out as an outstanding organisation for several compelling reasons. However, we also identified significant potential for further support to the movement in regard to narrative and policy change, especially in the Global South. Here are the key findings and reflections:

- Our research underscores that the Tax Justice Network places a strong emphasis on evidence-based outputs, which is significant. Drawing from our experience and research, we assert that evidence-based outputs and advocacy are fundamental pathways towards sustainability, professionalisation, and impact.
- The Tax Justice Network has emerged as an accessible resource for media outlets, development organisations, government institutions, and grassroots movements seeking to interpret, substantiate, and assess arguments in the realm of tax justice, with the scope and reach of its media coverage having increased over the years. Nonetheless, we contend that media reach should not be a dominant metric for gauging impact. Instead, a robust monitoring and evaluation (M&E) system and periodic process evaluations should provide a clearer picture of the extent to which milestones, benchmarks, and progress markers are being advanced by the Tax Justice Network.
- We have also recognised that the utilisation of indices remains predominantly Eurocentric. For instance, scientific research employing these indices exhibit limited references to jurisdictions in the Global South.
- The journey towards a UN tax convention, a momentous development within the tax justice space, has been significantly underpinned by arguments and evidence put forth by the Tax Justice Network over the past decade. To provide an important part of the empirical basis to substantiate the arguments for a potentially revolutionary governance shift is a major achievement and exemplifies the sort of goals the Tax Justice Network should be monitoring.
- The Tax Justice Network has catalysed the movement through two primary channels. One avenue is diffusion, wherein internal staff or close associates draw inspiration from the Tax Justice Network and establish their own tax justice initiatives or research agenda. The other involves providing support and convening global meetings primarily led by leaders from the Global South and



shaped by their agenda. As the potential for more funding increases, we contend that other avenues for catalysing the movement could be considered, such as using the Tax Justice Network platform and ability to reach funders in the North, to enhance its support of Southern organisations in seeking and obtaining funding.

2. Purpose, scope, and audience

The Tax Justice Network's 20th anniversary presents an opportunity to conduct a retrospective analysis of its evolution and its impact on the wider landscape of tax justice. This study provides a retrospective assessment that combines theory and empirical evidence, tracing the Tax Justice Network's tangible influence in terms of narrative change, movement building, and policy reform.

The primary audience for this study is the Tax Justice Network's leadership and staff. In this regard, the study provides an impartial perspective on the Tax Justice Network's contributions and proposes alternative approaches to assess the Tax Justice Network's standing within the broader movement, including direct comparisons and benchmarks.

The document comprises six sections. Beyond the executive summary and this introductory section, the third section outlines the research methodology. The fourth section outlines the milestones and explains the process of their selection. It contains nine subsections that delve into each milestone and elaborate on the Tax Justice Network's mechanisms of influence. Each subsection concludes by interpreting the implications of these mechanisms for the future. The sixth section clusters the key findings, and the final section provides three in-depth outcomes stories.

3. Methodology

This study is a theory-informed, in-depth revision of the Tax Justice Network's history. Following the tradition of qualitative research (Waldner 2012), our aim is to identify and depict the pivotal moments for narrative, movement, and policy change within the tax justice movement and determine if and how the Tax Justice Network may have influenced their occurrence. This is accomplished with a retrospective study that traces the milestone moments of the tax justice movement and is complemented with three in-depth outcome stories.

The first part of the study identifies and validates which events within the organisation's history represent milestones. For the purpose of this study, milestones will be understood as pivotal moments of particular success or failure for the tax justice movement. They represent events in time when the tax justice agenda was either well achieved or unfulfilled. Examples include preludes to the potential UN tax convention, the establishment of GATJ and the spread of regional and national tax justice civil society organisations, among others.

Milestones are selected based on empirical research. Documental analysis and interviews are coded, and the frequency at which events are identified as milestones is calculated. Then the most cited milestones are unpacked in order to link initial conditions with final outcomes. Analytical narratives with thick descriptions¹ are then produced with an eye set on the mechanisms that had a particular influence in leveraging change. There is no unified definition of what a mechanism is exactly (Mahoney 2001; Waldner 2012; Kinkaid 2012), however, we draw from a general definition from Salomon (1998): "causal mechanisms are interactions that are capable of transmitting energy, information, and causal influence from one part of spacetime to another, influencing particularly the outcome trajectory."

According to the process tracing approach, "multiple types of evidence are employed for the verification of a single inference" (Gerring 2007). In line with this, we make use of semi-structured interviews, focus groups (informally referred to as workshops), text analysis (which we code using Nvivo), quantitative data and relevant comparisons, to trace the process and propose the mechanisms deployed by the Tax Justice Network to influence the realisation of pivotal moments for the tax justice movement.

With this logic, we provide a plausible explanation of the influence of the Tax Justice Network on the outcomes of interest and infer some of its implications. We believe the mechanisms provide a guideline to suggest potential strategic approaches and recommendations for the future.

¹ In the tradition of process tracing, thick descriptions are understood as very detailed accounts of a process. It pursues a causal and mechanistic description of events.

3.1 Empirical Strategy

For this evaluation we interviewed 24 people related to the Tax Justice Network, 13 internal to the organisation and 11 externals with a close association or past experience working with the Tax Justice Network². We also reviewed and coded 47 documents, which range from annual reports to internal evaluations and research work. Finally, a sensemaking workshop allowed us to validate findings and test the consistency of the arguments offered³.

3.2 Definitions

In order to design a consistent empirical strategy (i.e., a data collection plan plus an inferential approach), it is critical to provide a clear definition of each selected outcome. Selected outcomes come from the hypotheses (H) posed by the Tax Justice Network for this study:

- **H1:** the Tax Justice Network has catalysed a global tax justice movement over the last 20 years.
- **H2:** activities of the global tax justice movement over the last 20 years (including research, advocacy, communications and campaigning) have contributed to changing narratives about tax.
- **H3:** activities of the global tax justice movement over the last 20 years (including research, advocacy, communications and campaigning) have contributed to policy changes on tax issues nationally, regionally and globally.

A narrative will be defined as a competing understanding of the incentive structure that ought to shape tax systems. It competes against other understandings to become the dominant framework. For example, tax competition is in essence an incentive structure, a framework that rewards and punishes specific behaviours. A narrative shift is exemplified by the transition from tax competition, as the desirable incentive structure, to a global minimum tax, which is the most compelling idea now. Narratives can pertain to the diagnosis of the problem, the range of solutions, or the general concepts used within an epistemic community. For example, gender, human rights and country-by-country reporting have been concepts that were not always part of the tax justice realm.

² For anonymity purposes, names in the Excel file shared in the following link do not correspond to the number assigned to each interview cited in this document. The pool of interviewees can be seen in this link: <https://docs.google.com/spreadsheets/d/165GHO5g3yvokUXY8Okx9nDDnHokw3uMI/edit?usp=sharing&ouid=10094796940073107719&rtpof=true&sd=true>.

³ The documental fund standardised titles and nature of each document, so they could be easily coded and accessed. References to documents in this retrospective study are done according to such standardised naming. See the documental fund in the following link: <https://docs.google.com/spreadsheets/d/1V5dGWOkg3f-ifyUx9doOlg28t4UtTAIB/edit?usp=sharing&ouid=100994796940073107719&rtpof=true&sd=true>

A movement is defined as a Transnational Activist Network (TAN) characterised by the intersection of a global agenda and a mobilising potential, most commonly but not exclusively, thanks to modern communication technologies (Vaughan 2019).

The policy changes considered refer to transformations in the formal rules of international tax regimes, with both national and international implications.

4. Milestones

In this section we provide an analytical narrative of the most evoked milestones achieved within the tax justice movement over the past two decades. All milestones had an impact on one or more of the outcomes of interest, namely narrative change, movement building, or policy change. Then we provide an explanation of the influence of the Tax Justice Network for the occurrence of such milestones. This explanation is based on finding the mechanisms, or intervening variables, that exert different degrees of influence in order to drive change. Having identified mechanisms, we are able to derive practical implications for future action.

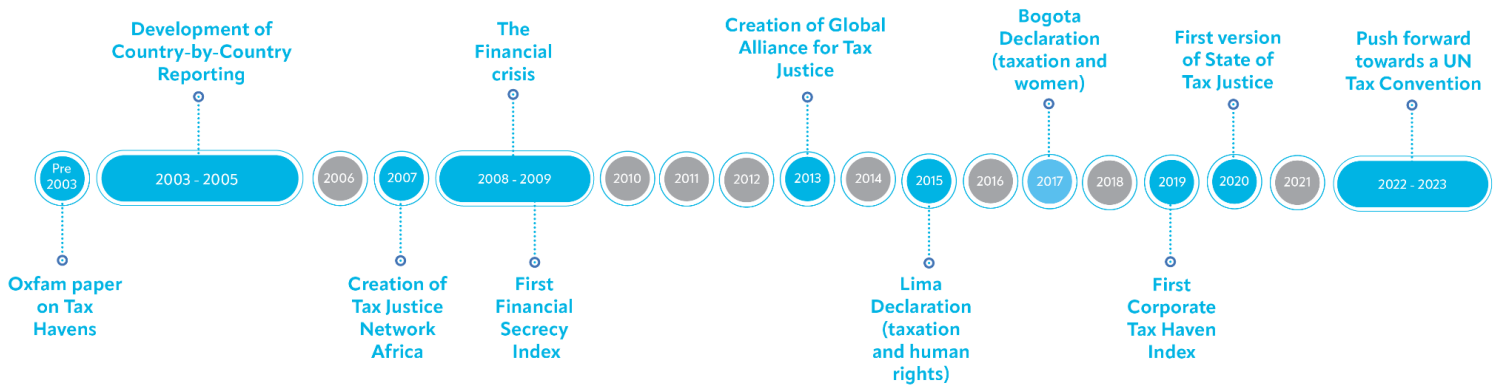
The selection of milestones is based on the frequency of mentions they received during individual interviews. Their importance was then cross-referenced and verified with documentary research. The following table provides an overview of the number of mentions attributed to each milestone.

Table 1: Frequency of Tax Justice Milestones

Oxfam Paper (2000)	5
Tax Justice Africa (2007-09)	4
Country-by-Country reporting (2003)	16
Financial Crisis (2008-2009)	7
Financial Secrecy Index (2009) and Corporate Tax Havens Index (2019)	15
Global Alliance for Tax Justice (2013)	14
Lima and Bogotá Declarations (2015, 2017)	3
UN Tax Convention (on going)	11
State of Tax Justice (2020)	5

Throughout the remainder of this chapter, we delve into each milestone, explain its relation to a desired outcome (movement, narrative, or policy change), and submit an analysis of the role that the Tax Justice Network played in bringing about each event.

Diagram 1. Milestones of the Tax Justice Movement



4.1 Oxfam Paper (2000)

The Oxfam paper on Tax Havens⁴ is foundational to start thinking about tax justice as a field of work for the sustainable development community. The relationship between taxation and justice, or taxation and development, was the subject of inquiry by jurists, political scientists, economists, philosophers, and public finance specialists, but it had been neglected by transnational activist networks⁵ (i.e., international NGOs). Similarly, the relationship between taxation and development had not been sufficiently addressed with respect to the influence of international tax regimes and the political economy that shapes such architecture. Oxfam’s paper opened what sociologists called an “opportunity structure” which suggested that international tax reforms could be incorporated into organised civil society advocacy repertoires. It also shed light on the inequalities produced by tax regimes and their impact on development outcomes.

In the 1970s, initial voices emerged from the United Nations Conference on Trade and Development (UNCTAD), led by Raul Prebisch, and the United Nations Centre on Transnational Corporations (UNCTC), advocating for international tax reforms (Interview 6; [Ylönen 2014](#)). Additionally, an OECD report in 1998 titled "Harmful Tax

⁴ Mayne, R., & Kimmis, J. (2000). Tax Havens: Releasing the hidden billions for poverty eradication.

⁵ To the best of our knowledge, the field of fiscal sociology has used taxation as the indicator *par-excellence* to unveil state-society relations. The most notable theme in this field is related to the historical relation between taxation and state-building (Tilly 1990; Levy 1990; Centeno 2002; Brautigam et al, 2008). But the discipline has evolved to cover the influence of international aid on development (Moore 1998), the legacies of extractive economies on development outcomes (Atria et al 2017), and gender inequalities (Rodríguez et al 2017). From a more traditional economic approach, development economists have dealt with the relation between taxation and development at least since the post-war era but purely from a public finance perspective (Musgrave, Bird 1970; Burges 1993). A public choice approach emerged in response to public finance literature during the 1980s (Buchanan and Brennan 1980). And more recently, a strand of literature on taxation and development is more concerned with how different tax structures reveal different development trajectories (Cobham 2005; Steinmo, 1993, 2010; Moore 2010).

Competition: An Emerging Global Issue" led to the publication of a "black list" of tax havens in 2000 ([OECD 2009](#)). However, Oxfam's paper paved the way for development practitioners within civil society to engage in this issue. Over time, this avenue of activist work would prove to be a democratic breakthrough, enabling civil society, through international NGOs, to rally and shape the global distribution of tax responsibilities and benefits.

In this paper, Oxfam asserts that offshore centres pose a fundamental and unexplored impediment to poverty reduction. It introduces the strategy of estimating tax costs in terms of unprovided public goods. This strategy later became a cornerstone for illustrating the connection between taxation and human rights⁶.

Furthermore, Oxfam highlights the detrimental impact of tax havens on the global economy, prefiguring the repercussions of the 2008 global financial crisis by almost a decade. It also proposes that initiatives by the OECD and the UN to counter profit under-reporting suffers from inherent design flaws, reflecting primarily the perspectives of the Global North and neglecting the scale of the issue in the Global South.

In terms of policy recommendations, this document outlines fundamental concepts that can be seen as precursors to what later became known as the ABC of transparency.

As a result of this pivotal moment, the European Social Forum in 2002 became a platform for intellectuals from the Association for the Taxation of financial Transactions and Citizen's Action (ATTAC), European Network on Debt and Development (EURODAD)⁷, Oxfam, and academia to convene and express their interest in establishing a civil society organisation exclusively dedicated to tax justice. Spearheaded by John Christensen and his drive to combat the kind of tax evasion schemes he had witnessed in Jersey, this call led to the formation of the Tax Justice Network.

Mechanism

The consolidation of the view that tax and development are interlinked served as a seminal moment for driving a narrative change and propelling movement building, originating what we now know as the tax justice movement. The redefinition of taxation as an arena addressed by development agencies and practitioners laid the groundwork for the Tax Justice Network's creation.

⁶ This narrative strategy to make sense of tax loss and assess its impact in terms of development outcomes is well explained in the "Tax saves lives" episode of the Taxcast ([Fowler 2023](#)).

⁷ ATTAC stands for the Association for the Taxation of Financial Transactions and for Citizens' Action. Eurodad is a network of 60 civil society organisations (CSOs) from 28 European countries working to ensure that the financial system at the global and European levels is democratically controlled, environmentally sustainable, contributes to poverty eradication and delivers human rights for all.

While organisations like ATTAC and EURODAD were already actively advocating for changes in the global financial system, the Tax Justice Network excelled in articulating a comprehensive narrative of the differential impact of tax havens on countries with different income levels. What was once an obscure topic primarily explored by accountants, lawyers, and economists in private firms, now became a development issue of concern to a broader range of disciplines and contexts.

This novel approach to taxation also facilitated the interconnection of disparate epistemic communities, uniting activists, and development scholars with legal experts, accountants, and politicians. This amalgamation of highly qualified professionals and activists well-versed in technical matters likely contributes, in part, to the movement's success over the past two decades. Unlike other professional ecosystems in the development sector, where multidisciplinary work is rare and sophisticated technical skills are the exception, this ecosystem navigates the domains of knowledge production, policy-making, and civil society engagement in tandem.

Furthermore, the Oxfam paper benefited from what Seabrooke and Wigan (2013) termed an "issue entrepreneur," embodied in John Christensen, who used this intellectual work as a stepping stone to establish the Tax Justice Network. It is worth noting that Sol Picciotto and Alex Cobham were also contributors to the Oxfam paper, thus further contributing to the Tax Justice Network's emergence as a thought leader within the tax justice domain.

Interviews (1, 14, 9, 24) convey that the role of John Christensen was pivotal in setting up a research and advocacy organisation that had, since the beginning, such a precise understanding of the problem and the solutions needed.

What are the implications of this mechanism?

The relation between taxation and development has become an established subject of inquiry in the social sciences. Nevertheless, in the spirit of John Christensen's work, issue entrepreneurs are still needed at country and regional levels to raise the status of the tax-development nexus even more. This is critical in specific Global South contexts where the tax justice movement is still absent. Moreover, it is imperative for entrepreneurship and leadership within the realm of tax justice to undertake efforts aimed at fostering a deeper comprehension among Global North nations regarding their contributions to global tax deficits, with a particular focus on the impact within the Global South.

4.2 Tax Justice Network Africa (2007-09)

The creation of TJN-A in 2007 marks a significant milestone for the proliferation of independent regional, national, and global civil society organisations dedicated to tax justice. Despite the political misunderstanding that later developed, we contend that

the creation of TJN-A inspired a cycle of movement-building among tax justice advocates who had encountered the Tax Justice Network.

TJN-A was founded thanks to the leading and entrepreneurial role of Dereje Alemayehu and the financial aid of Christian Aid. According to Interview 15, conversations between John Christensen and Dereje Alemayehu were regular regarding the set-up of TJN-A since 2005. The actual organisation was created at the 2007 World Social Forum held in Nairobi, Kenya, and became an independent organisation in 2009. Designed as a pan-African network comprising six organisations, it has since flourished, now encompassing 44 members representing 26 African countries.

The genesis of TJN-A was not absent of controversy, anticipating the 2013 departure of the Global Alliance for Tax Justice from the Tax Justice Network. This moment represents the emergence of a north-south divide in the Tax Justice Network's trajectory. As articulated by Vanguah (2019), this is a common cleavage, in this case entailing tensions around advocacy strategies (e.g., high-level dialogues versus more grassroots approaches), resource allocation, and agenda setting power.

The prevailing narrative found in the interviews suggests that some individuals within the Tax Justice Network encountered discomfort with the technical expertise of tax justice proponents in Africa and wanted to hold more grip over its decisions (Interviews 8, 14, 15), which in turn incited the African cohort to demand full independence from the Tax Justice Network (Interviews 1, 15). In 2011, after the tense process of creating the African version of Tax Us If You Can and some clashes in the context of the Dakar World Social Forum, a breaking point was seemingly reached. As the fracture increasingly incorporated grievances alleging "neo-colonialism" and similar practices, the inclinations for building trust and collaboration were depleted.

While entities like ATTAC, EURODAD, Publish What You Pay (PWYP), and Oxfam predate the Tax Justice Network in their advocacy endeavours, the establishment of the Tax Justice Network in 2003 appears to have spurred the formation of autonomous tax justice organisations across various countries and regions, with TJN-A serving as the vanguard in catalysing this diffusion. Table 2 details 28 organisations or initiatives established after 2003, all dedicated to the cause of tax justice and connected to the Tax Justice Network in various ways.

Table 2. Organisations inspired by the Tax Justice Network

TJN USA (2005)	Fair Tax Mark (2014)
Tax Inspectors Without Borders ⁸ (2006-11)	ICRICT (2015)
TJN Africa (2007)	Justicia Impositiva (podcast, 2016)
Financial Transparency Coalition (2009)	Taxes simply (podcast, 2018)
TJN Netherlands (2010)	É DA SUA CONTA (podcast, 2019)
TJN Norway (2010)	Impôts et Justice Sociale (podcast, 2019)
Red de Justicia Fiscal (2011)	TJN Japan (2016)
TJN Centro América (2011)	TJN UK (2017)
Taxcast (2012)	Tax Watch (2018)
Canadians for Tax Fairness (2012)	Tax Justice Aotearoa (New Zealand, 2018)
TJN Germany (2013)	TJN Italia (2019)
TJN Israel (2013)	CICTAR (2020)
TJN Australia (2013)	Fairness Foundation (2021)
Finance Uncovered (2013)	Balanced Economy Project (2023)
Global Alliance for Tax Justice (2013)	

The Tax Justice Network's influence on the tax justice movement was exemplified through its involvement in the civil society intervention during the 2023 Fiscal Summit convened by the Colombian Ministry of Finance. The responsibility of providing the introductory remarks at the civil society parallel forum underscores the leadership and supportive role that the Tax Justice Network occupies within a foreign regional context focused on human rights, decolonisation, and the pursuit of progressive taxation.

Box 1

Another Key Player in the Tax Justice Movement

The establishment of the Independent Commission for the Reform of International Corporate Taxation (ICRICT) in 2015 stands out as another pivotal stride in the expansion of the tax justice movement. Conceived through a collaboration between the Tax Justice Network and several other organisations, ICRICT emerged to provide backing to a select assembly of experts in their attempts to advocate for progressive international tax reforms within influential policy circles (e.g., Addis Ababa Financing for Development conference and engagements with IMF Executive Directors). Comprising distinguished economists such as Stiglitz, Ghosh, Piketty, Ocampo, Valpy and policy specialists with a historical focus on pro-poor economic policies, ICRICT has emphatically endorsed the ABC of transparency platform and championed the establishment of a UN tax convention. To the best of our knowledge, ICRICT is a distinctly exceptional entity. Unlike many independent

⁸ TIWB was proposed by John Christensen in 2006 but became a reality after the financial crisis. Initially there was a great concern from the Tax Justice Network regarding the appropriation of the idea by OECD to embed their tax framework, which was strongly contended by the Tax Justice Network. Today the organisation remains active with John Christensen as part of the board.

commissions or expert missions that appoint autonomous experts for specific tasks, ICRICT provides economic and technical support for its commissioners to engage freely and independently in advocacy work at the highest political levels.

Mechanism

This milestone examines not only the creation of TJN-A, but also its significance for the progression of the tax justice movement. The creation of tax justice organisations associated with the Tax Justice Network reached a peak in 2013, with the establishment of three national tax justice chapters (TJN Australia, TJN Germany and TJN Israel) and the transformation of two incubated partners into independent NGOs (GATJ and Finance Uncovered).

This movement-building dynamic mirrors the trajectory of diffusion delineated by social movement theory, broadly understood as "the customary processes of learning and influence mediated through the network structures of everyday life" ([McAdam 1995, p. 231](#)). This is attributable to the fact that several independent organisations in the tax justice movement are run by people with prior affiliations or close collaborations with the Tax Justice Network. Table 3 lists some examples.

Table 3. Close associates of the Tax Justice Network leading tax justice organisations

Organisation	Leader	Relation to the Tax Justice Network
Finance Uncovered	Nick Mathiason	Worked at TJN until 2015
Tax Justice UK	Robert Palmer	TJUK incubated by TJN in 2017
Tax Justice US	James Henry	Worked at TJN until 2007
Tax Justice Israel	Moran Harari	Working at TJN since 2012
Fair Tax Mark	Paul Monaghan	Richard Murphy led the original establishment; Alex Cobham is a technical advisor
GATJ	Dereje Alemayehu	Established in 2013
Fairness Foundation	Will Snell	Worked at TJN until 2020
Balance Economy Project	Nick Shaxson	Worked at TJN until 2022
Tax Watch	George Turner	Worked at TJN

The early achievements of the Tax Justice Network during its formative decade⁹, coupled with its original approach to development through taxation, seemed to have inspired a fresh cohort of tax activists (Interviews 6). Individuals associated with the Tax Justice Network or closely linked to it recognised the potential to replicate the model, tailored to their own communities of interest (e.g., Israel, Africa, Latin America, USA), or aligned with their disciplinary fields (journalism, gender, economics, business, etc.).

In this context, the Tax Justice Network emerges as fertile ground for future leaders within the tax justice space, effectively serving as a platform for incubating and launching new initiatives.

Catalysing individual trajectories

The diffusion effect at the movement level is also evidenced at the individual level. The Tax Justice Network was born with the help of a strong network of academic and professional background, with Sol Picciotto, James Henry, Richard Murphy, Ronen Palan, Prem Sikka, Alex Cobham, John Christensen and Nick Shaxson being the prominent examples (Interview 8). Two decades later, the new generation is embarking on a similar academic track with the help of the founding partners. An anecdote serves well to prove this point: Markus Menzier acknowledges Sol Picciotto, Ronen Palan and Alex Cobham for their supervision and academic advice in his doctoral research.

In terms of research productivity and significance, the Tax Justice Network seems to offer a conducive environment for the professional growth and development of individuals in the early and mid-stages of their careers. To make sense of the academic influence of the Tax Justice Network, we devised a simple ‘hoop test’¹⁰ by which we compare the typical research impact indicators of the Tax Justice Network staff against its counterparts in similarly oriented organisations.

⁹ The 2013 report, on the 10th year of the organisation, already claims that the Tax Justice Network has reached maturity. (Report 9).

¹⁰ A hoop test is meant to assess causal inference, and it's mainly used in process tracing methodology, along with other simple tests. A hoop test allows the researcher to affirm the relevance of the hypothesis but it is not strong enough to confirm the hypothesis (Collier 2011). In this case, the hypothesis is that the Tax Justice Network is a fertile ground for individual progress in the academic world, and to test this hypothesis we compared the research impact of its mid-level staff with that of similar people in similar organisations.

Table 4: Research impact according to Google Scholar and [Semantic Scholar.org](https://www.semanticscholar.org)¹¹

Researcher	Institution and role	Citations	h-index
Andrés Knobel	Lead Researcher Beneficial Ownership for the Tax Justice Network	71	4
Moran Harari	Deputy director of policy at the Tax Justice Network	12	2
Markus Meinzer	Director of Policy at the Tax Justice Network	586	12
Miroslav Palanský	Head of Research at the Tax Justice Network	397	7
	Head of Research at Oxfam GB	472	7
	Research Director, Amnesty International	N.A.	N.A.
	Senior Director of Research and Evidence, Save the Children	N.A.	N.A.
	Research director at Institute for Taxation and Economic Policy	N.A.	N.A.
	Director of Excise Tax Policy at Tax Foundation	513	13

Table 4 shows that the Tax Justice Network has staff that are consistently and comparatively more driven to produce academic research, and we contend this is a distinct feature of the Tax Justice Network, underpinned by the diffusion mechanism. This is important because it has helped to consolidate the Tax Justice Network as a knowledge producer, and therefore, to become an indispensable source to be informed about tax justice at the policy and advocacy levels.

¹¹ Semantic Scholar is an AI platform research tool developed by the Allen Institute for AI. It was used to search for impact measures of some of the people not found on Google Scholar.

What are the implications of this mechanism?

Being conscious of the diffusion mechanism can help nurture the tax justice movement in a more explicit way, for example, by recruiting, creating or sponsoring partnerships with young tax justice advocates from regions or epistemic communities that lack organisations and would benefit from them. If the diffusion mechanism lasts, in the near future some of these people may create tax justice organisations in their own countries of origin or within their own disciplinary boundaries.

Similarly, at the individual level, the diffusion effect could trigger the promotion of the next generation of tax justice scholars. However, the possibility of nurturing thematic experts could also bring the risk of losing them to academia in the long term.

From a different point of view, the proliferation of closely aligned national organisations and partner organisations appears to be slowing down (see Table 2). This trend exists despite the Tax Justice Network's increased financial commitment to supporting such entities (interview 3). This development could signify that the market for thematic organisations of this kind is approaching a mature state, leading to a lower rate of new organisations. Meanwhile, the initial pioneers are navigating a phase of growth and consolidation. This conjecture gains credibility by looking into the work of Red de Justicia Fiscal, ICRICT, GAJT, and TJN-A. In one plausible scenario, the trajectory of the tax justice movement envisions a forthcoming phase characterised by well-established organisations, wherein the technical divide between North and South diminishes. Thanks to the latter, novel areas of focus could gain prominence, such as the intersection of taxation and climate justice.

A caveat to this argument is that the creation of all other organisations devoted to tax justice was not studied. Therefore, we know that there are other mechanisms at play for leveraging the creation of tax justice organisations and experts.

4.3 Country-by-Country Reporting (CBCR) (2003)

The conceptualisation and popularisation of CBCR seems like the most sophisticated instrument designed by civil society and adopted, although incompletely, by individual states and multilateral organisations to tackle tax abuse.

Its origin as a policy proposal can be traced to 1977 and recommendations given by the Group of Experts on International Standards of Accounting and Reporting (GEISAR)¹². According to Picciotto (2013) the Arm's Length Principle (ALP) had been the dominant

¹² The Group of Experts on International Standards of Accounting and Reporting (GEISAR) was created by UNCTAD and produced in 1977 the first recommendation that explicitly called for multinationals to produce financial reports for each country in which they operated. Cobham et al (2020) trace how this initiative was disenfranchised by the OECD, keeping the right to regulate international tax in the domain of the most affluent countries.

framework against tax evasion since the 1930s. However, it was difficult to implement and led to profit-shifting. Nevertheless, this was the framework favoured and defended by OECD up until 2013.

In its contemporary form and usage, Richard Murphy is widely recognised as its intellectual father (Interview 8; [Murphy 2003](#), Evaluation 18). The [original version](#) of CBCR was first published by Prem Sikka's Association for Accounting and Business Affairs, a long-time collaborator of the Tax Justice Network. According to Murphy ([2020](#)), it was thanks to the endorsement by PWYP in 2005 that CBCR could claim a quick win in the tax justice space. Thanks to PWYP some governments and extractive industry companies agreed to share information¹³. This was thought of as a minimal version of CBCR because it only crossed revenues received by countries from extractive industries with payments made to governments, excluding external transfers or other industries (Seabrooke and Wigan 2015, 365).

As Murphy explains ([Tax Justice Focus 2014](#)), the true potential of CBCR is not limited to deterring profit shifting, but also extends to i) fostering transparency and accountability of multinational corporations, ii) assessing local economic dependency on a multinational corporation, and iii) promoting accountability of multinational corporations to their shareholders. The potential of CBCR can be fully realised if the information is i) produced for all countries in which multinational corporations operate and ii) is made public.

The pivotal moment for the introduction of CBCR at the policy level was triggered by media attention around claims from tax justice activists in 2012. These claims led the Chair of the UK Public Accounts Committee to investigate Google, Amazon and Starbucks, disclosing their tax transgressions. This produced popular unrest and [protests from grassroots movements](#), which was a signal, according to some of the interviewees (14, 24), that the general public was sensitised. This was the background to the 2013 G8 meeting in London, where Prime Minister David Cameron explicitly called on the OECD to develop a CBCR template.

Today “CBCR has manifested in legislative initiatives in the US and the EU. It is now an active policy debate within the OECD, World Bank (WB), International Monetary Fund (IMF) and the UN.” (Seabrooke and Wigan 2015, 366). According to [Jánsky et al 2021](#), “around 79 per cent of the secrecy faced by the EU is now covered by active Country Reporting information exchange (CbCRIE) relationships.” They also claim that around 2,400 bilateral exchanges had taken place by 2019 to share CBCR, covering all multinational corporations (MNCs) with turnover of more than 750 million euros. The latter suggests that implementation of CBCR is progressing, but also that there is a long way to go in terms of universal access to data and a wider tax base.

¹³ Murphy (2020) also prizes the work of Christian Aid and Action Aid for taking this work to the realm of development aid, which eventually made proper taxation a human development concern.

Doing a process tracing approach, we followed the Tax Justice Network's stance towards CBCR within the International Tax Review. In this specialised journal it is possible to trace how the OECD position changes progressively, while the Tax Justice Network's position remains almost completely stable. In this [interview](#) (2011) Pascal Saint-Amans claims that the ALP is still the best solution for developing countries to challenge transfer pricing and information exchange, while John Christensen replies defending CBCR.

Table 5 traces the institutional adaptation of CBCR. It attempts to show that the original proposal has never been fully endorsed, but slow institutional progress has moved towards it. Some rightly refer to this as a normalisation process, meaning that the incremental adoption of the CBCR benefitted from the small steps advanced by PWYP, the Extractive Industry Transparency Initiative (EITI), the United States' Dodd-Frank Act, the European Parliament Capital Requirements Directive (CRD), the GRI standards, and more recently the OECD's two pillar guidelines. Presumably, each step contributed to normalising the idea, therefore making it easier to be discussed and implemented.

Table 5. Institutional and political evolution in the implementation of CBCR

Year	Origin	Legal-Political framework	Notes	Year to implement	All industries	Public information	All jurisdictions	Tax Justice Network's participation
2003	Richard Murphy	Creation of the original version of CBCR			X	X	X	Richard Murphy discussed preliminary versions with John Christensen and Prem Sikka.
2005	Publish What You Pay		A voluntary and minimal version of CBCR embraced by extractive sector companies	2005	-	-	-	Richard Murphy influenced the idea of PWYP

2010	US Congress	2010 US Dodd-Frank Act contained	For companies in the extractive sector. OXFAM -USA is believed to have been instrumental in influencing US legislation.		X	-	-	
2011	EITI	Standard implemented by governments an enacted by norms that rule extractive industries	For reporting company payments and government revenues in the extractive sector.	2011		X		
2013	EU Parliament	Accountancy and Transparency Directives	For all companies in extractives and logging sector within EU		-	-	-	
2013	EU Parliament	Capital Requirements Directives	Financial companies		-	-	-	EU Parliament



2013	G20/OECD	BEPS Program	Data was not public.	2016	X	-	-	Chaired the BEPS Monitoring Group via Sol Picciotto
2014	G20/OECD	Common Reporting Standard	Standard for the Automatic Exchange of Information, excludes USA but has reached more than 100 jurisdictions	2017	X			
2019	G8/G20/OECD	BEPS Inclusive Framework	Beyond Arm's Length Principle and implementing unitary taxation (formulary apportionment approach)		X	-	-	
2019	GRI Standards		Addresses technical flaws of the OECD standard and endorsed by some		X	X	X	Richard Murphy and Alex Cobham were part of the team that designed GRI

			international corporations.					
2021	US Congress			2022	X		X	Cited the work of the Tax Justice Network in Congress
2021	EU Parliament	EU Country by Country Directive	MNC with revenues above EUR 750 million will have to report on a country basis	2023	X	X		
2021	G20/OECD	Two Pillar model rules	Minimum tax rate of 15% for MNC. Introduces small element of unitary taxation	2024	X	-	X	
2014	G20/OECD	Common Reporting Standard	Standard for the Automatic Exchange of Information, excludes USA but has reached more than 100 jurisdictions	2017	X			

2019	G8/G20/OECD	BEPS Inclusive Framework	Beyond Arm's Length Principle and implementing unitary taxation (formulary apportionment approach)		X	-	-	
2021	US Congress			2022	X		X	Cited the work of the Tax Justice Network in Congress
2021	EU Parliament	EU Country by Country Directive	MNC with revenues above EUR 750 million will have to report on a country basis	2023	X	X		
2021	G20/OECD	Two Pillar model rules	Minimum tax rate of 15% for MNC. Introduces small element of unitary taxation	2024	X	-	X	

Mechanism

The incremental adoption of CBCR stands as a crucial milestone in policy change. There is a concatenation of events throughout the last 20 years that seem to explain the Tax Justice Network's influence on the incremental adoption of CBCR.

One interpretation highlights the substantial groundwork accomplished by the Tax Justice Network and its collaborators between 2000 and 2007. This foundational work illuminated the issue of tax evasion and avoidance by multinational corporations, allowing civil society to comprehend the connection between the 2008 financial crisis and subsequent austerity measures (Interview 1). Increasing media attention, exemplified by The Guardian's investigative piece on profit shifting in Central America (2007), coupled with the intensification of profit-shifting dynamics (Cobham & Janský 2017), are the contextual conditions of that earlier period.

A complementary interpretation asserts that the Tax Justice Network's relationship with the financial crisis social movement (i.e., Occupy Movement, UK Uncut) facilitated the transmission of its message to grassroots groups, subsequently enhancing political pressure for change (Murphy 2020, Interview 14, 24).

Contextually, the financial crisis of 2008 and the Panamá Papers scandal of 2016 played a critical role in raising public awareness about the tax misconduct of MNCs. The latter event triggered the voluntary adoption of the GRI standards by some MNCs.

Drawing inspiration from [Picciotto \(2013\)](#), another plausible explanation rests in the efficiency of unitary taxation in contrast to the increasingly intricate Arm's Length Principle (ALP) framework. Based on Picciotto's argument regarding the complexity and costliness of implementing ALP, CBCR reveals that unitary taxation presents a more practical alternative for developing nations and OECD members. Report 14 (2018, 6) affirms a widespread consensus in 2018 regarding ALP's inadequacy for curbing profit shifting.

A widely acknowledged mechanism, explored in academic research, emphasises the influence of elite professionals or policy entrepreneurs capable of traversing interconnected ecosystems and transferring policy concepts within them. Seabrooke and Wigan ([2013](#), [2015](#) and [2016](#)) propose a model explaining policy change rooted in the Tax Justice Network's access to diverse network domains, including transnational activists and tax professionals. A convergence of circumstances appears to have united a broader civil society base with the expertise of policy practitioners, yielding an unprecedented outcome (compared to initiatives like climate change). This interpretation is based on the involvement of figures like John Christensen and Richard Murphy in G8, G20, and EU forums, and could potentially extend to the Tax Justice Network's influence in forums advocating for a UN tax convention.

Another feasible interpretation adds that the OECD is not a monolithic institution; certain bureaucrats within it might have favoured the reforms originating from civil society. An interviewee (Interview 8) suggests that these same bureaucrats advised the Tax Justice Network to secure more political support to sway OECD toward further changes. Similarly, other interviewees (14 and 2) corroborate the positive relations with the OECD. The fact that the OECD was willing to provide the Tax Justice Network with access to their peer reviews and to their organised events is interpreted by some members of the Tax Justice Network as evidence of their friendly disposition.

Unfortunately, interviews with OECD officials could not take place, therefore this position could not be corroborated. Instead, exchanges between the OECD and the Tax Justice Network traced in the International Tax Review do not reveal an overtly open institutional dialogue. Furthermore, Interview 1 also suggests that relations between the Tax Justice Network and the OECD went through at least two periods of cooperation and divergence within the last 20 years, without reporting benefits for the CBCR agenda.

Each of these mechanisms serves as a catalyst for change. In the context and framework of this study, it proves impossible to ascertain their relative influence. Nonetheless, a plausible multivariate explanation emerges wherein context, policy, and politics intersect.

What are the implications of this mechanism?

Firstly, the success of CBCR as a technical framework conceived within civil society, with profound implications for tax accountability, is an exceptional occurrence. It is improbable that similar successes can be routinely replicated. Pursuing small, tactical, and incremental transformations should also be the goal. Knowing this, the movement should not be disheartened by incremental progress. Aligning with Albert Hirschman's (1967) insight on the challenges of recognising developmental change, the Tax Justice Network should bear in mind that gradual change is an ongoing phenomenon in developing contexts, and neglecting it obscures the pivotal roles of political and intellectual leadership.

Secondly, accessing tightly guarded technical spaces necessitates mastery of the expertise. This competence should be demonstrated in knowledge-sharing forums such as the 2019 Global Taxing Rights meeting convened by the Tax Justice Network (Report 15), peer reviews for base erosion and profit shifting (BEPS), specialised disciplinary journals, and conferences. Several interviewees (8, 12, 11, 16, 14) expressed a desire to witness the Tax Justice Network's increased presence in top scholarly circles.

Thirdly, the collective bargaining power of non-elites continues to rise as a democratic force, amplifying the significance of platforms like the Group of 77 (G77), ICRICT, Latin American Ministry Forums, and BRICS, among others. These forums play an

increasingly crucial role in any further political action, which should motivate the Tax Justice Network to continue working with them.

4.4 Financial Crisis (2008-2009)

The Global Financial Crisis consistently emerges as a seminal event that significantly accelerated the influence of tax justice on a global scale. The financial deception that underpinned the crisis and the subsequent imposition of austerity measures sparked a grassroots movement for change. This impetus led to a number of institutional reforms aimed at enhancing the regulatory control of multinational corporations.

As indicated by some interviewees (1, 6), the influence of the financial crisis on tax justice was primarily due to the groundwork laid by the Tax Justice Network since 2003. Among other examples, interviewees (1, 2, 5, 6, 13) frequently highlight the investigative article with *The Guardian* in 2007, the initial version of the Financial Secrecy Index, and the introduction of the policy framework known as the ABC of transparency, as key pillars of this groundwork.

The publication "Tax Us, if you can" (2005) clarifies the financial underpinnings of the economic crisis. It outlines three mechanisms that produce unstable financial markets: clandestine bank accounts, paper subsidiaries, and banking services provided by global financial institutions. Additionally, this document estimates the annual tax loss from offshore income (\$225 billion)¹⁴ and outlines the roles of key international institutions (OECD, UN, EU). While key initiatives like CBCR and beneficial ownership transparency aren't explicitly mentioned, the fundamental concepts underpinning them are already delineated.

The financial crisis sparked both immediate and enduring changes within institutions. The US mandated all financial intermediaries to report on US accounts (Extraterritorial Foreign Account Tax Compliance Act). The OECD expedited procedures for automatic information exchange (Seabrooke and Wigan 2015, 632). The G20 urged the OECD to address corporate tax abuse, culminating in the launch of the Inclusive Framework on Base Erosion and Profit Shifting Program (BEPS).

Seabrooke and Wigan (2013) characterise the financial crisis as an event that yielded both salience and valence. The former denotes political momentum, while the latter signifies emotional engagement. The underlying assumption, echoed by Vaughan (2019), is that the financial crisis effectively reframed the financial misconduct of multinational corporations as a matter with negative impacts on domestic revenue.

Presumably, it is this emotional engagement (valence) that ignited the substantial interest surrounding "Treasure Islands" (2011) in the aftermath of the financial crisis.

¹⁴ The last State of Tax Justice Report estimates this number at \$500 billion.

Similarly, the documentary film "The Spider's Web" was propelled by the legacy of the crisis, premiering at a "Ten Years after the Crash" event (Report 13).

According to insights from several interviewees (1, 6, 8, 14), the crisis propelled the Tax Justice Network to the forefront as a credible technical collaborator capable of aiding development agencies, grassroots movements (i.e., UK Uncut and the Occupy Movement), and media outlets in comprehending the crisis's implications.

Table 6. Narrative change accelerated by the financial crisis¹⁵

Key narratives contested by the tax justice movement	Competing narratives
Evading and avoiding taxes is a smart thing to do.	Adhering to tax regulations facilitates the provision of essential public goods such as human rights, gender equity, climate justice, and fundamental public services.
Corruption is the white man's burden and originates in poor countries only.	The presence of corruption associated with tax evasion is predominantly a phenomenon originating from Global North nations.
The OECD is the global forum destined to design international tax regulations.	Expecting the OECD to design an effective and inclusive international tax regime is unrealistic, given that its member countries benefit from its current opacity.
Taxes are the realm for lawyers, accountants and similar technocrats to debate.	Taxes are fundamentally political in nature.
National tax revenue and illicit financial flows are not indicative of sustainable development.	The progression of a nation hinges not on the allotment of international aid but rather on the development of its own capacity to collect taxes and curtail illicit financial flows.

Narratives in the first column of Table 6 were not solely transformed by the financial crisis, but the crisis contributed to their revision towards the narratives shown in the second column. However, these revised narratives have yet to become predominant in many regions across the globe. According to insights from Interview 7, the perception

¹⁵ Another narrative change not related to the financial crisis, at least in interviews and documents read, is the fact that Africa was originally considered a fiscal failure, in-debt with the global north, is actually a net exporter of financial capital if tax abuses committed by multinational corporations are accounted for.

of corruption as a cultural attribute persists in the Latin American context. Furthermore, among audiences less acquainted with the Financial Secrecy Index and tax justice, the architecture of the financial system is not deemed a source or a catalyst for corruption. This does not signify a failure in advancing narrative change, as there is ample evidence of narrative shifts among tax justice stakeholders. Nevertheless, it underscores the potential for civil society in the Global South to disseminate a more independent and empirically grounded comprehension of the global economy.

In summary, the financial crisis set in motion a sequence of societal and political dynamics that propelled the transformation of the prevailing narrative. This very shift, in turn, acted as a catalyst for subsequent political transformations. The lasting impacts of the financial crisis continue to resonate in the present day.

Mechanism

As discussed, the financial crisis represented a pivotal moment for both narrative and policy transformation. How did the Tax Justice Network contribute to framing this external shock in order to accelerate narrative and policy change within the tax justice space?

As indicated earlier, numerous mechanisms were at play. Firstly, the foundational groundwork laid by the Tax Justice Network since its establishment in 2003 proved instrumental in providing an understanding of the crisis. Initial publications such as "Tax Us if You Can" (2005) and "The Price of Offshore" (2005), coupled with media coverage from outlets like The Guardian (2007), provided a simple narrative that explained the origins and general characteristics of the problem. This view however is mainly UK-centric, and it was not possible to attest to such influence on a wider international level.

Secondly, the institutional responses to the crisis and other proposed policy measures aligned with the principles of the ABC of transparency. The comprehensive development and effective dissemination of this platform to specialised audiences by 2008 played a key role in its subsequent practical, although partial, adoption. In fact, a significant proportion of the policy changes incorporated one or more modified versions of the ABC of transparency, as shown by Table 7.

Table 7. Policy changes adopted after the financial crisis

- The Foreign Account Tax Compliance Act (FACTA) - requiring all non-U.S. foreign financial institutions to report assets held by their US account holders (2010) – US version of Automatic Information Exchange
- OECD Common Reporting Standard – implementing Automatic Information Exchange (2012, 2013, 2014)
- EU 4th Anti-Money Laundering Directive (2015) – requiring Beneficial Ownership registries

Thirdly, the Tax Justice Network demonstrated a keen awareness, especially from 2007 onward with the introduction of a new communications strategy on the importance of being readily accessible to media outlets seeking to comprehend tax justice. Interviewees (8, 14, 9, 19) indicated that journalists from The Economist, The Financial Times, The Guardian, and The Washington Post had easy access to the Tax Justice Network's insights. The Guardian's in-depth investigation into corporate tax avoidance spanning 20 pages in 2009, in the middle of the financial crisis, serves as evidence of this accessibility.

Fourthly, we highlight the instrumental role played in leveraging the opportunity presented by the financial crisis to instigate policy change. Together with Christian Aid and various close allies, the Tax Justice Network managed to help organised civil society manifest their grievances (Interview 14, 01, 24). This experience reinforces the positive impact of engaging in collaborative relations between experts and grassroots movements.

What are the implications of this mechanism?

External shocks in the form of financial crises come in cycles and accelerate cultural change. Therefore, the Tax Justice Network and its partners should be ready to accelerate narrative change in moments of economic crisis. These are the moments to advance especially progressive and pro-poor policy instruments.

4.5 Financial Secrecy Index (2009) and Corporate Tax Haven Index (2019)

The Financial Secrecy Index and the Corporate Tax Haven Index have been another milestone for the tax justice movement. With these tools, tax justice advocates have empirical grounds for comparing states' efforts to curb or facilitate corporate and individual tax evasion and avoidance. These indices have become the empirical basis to challenge prevailing notions about the geographical distribution of corruption and illicit financial flows.

In a nutshell, the Financial Secrecy Index is a ranking that measures the level of secrecy of different jurisdictions with respect to their financial systems. It is designed to shed light on the extent to which a country's financial services industry allows for anonymous or opaque financial transactions, which can facilitate tax evasion, money laundering, and other illicit financial activities. The index considers various factors, including the ease of forming shell companies, banking secrecy laws, availability of financial information, cooperation with international standards for transparency and information exchange, and the volume of financial services that a country exports. Jurisdictions with high rankings on the Financial Secrecy Index are generally seen as having a higher level of financial secrecy and potential for facilitating illicit financial flows.

"Taking a jurisdiction's Global Scale Weight into account when assessing its role in enabling financial secrecy allows the Financial Secrecy Index to go beyond "tax haven blacklists" and evaluate how much financial secrecy jurisdictions supply in practice, not just on paper. Whereas "tax haven blacklists" usually only take laws into consideration and are susceptible to political lobbying, the Financial Secrecy Index more accurately identifies harmful jurisdictions by assessing how laws and offshore financial activity intersect in the real world to create financial secrecy risks." (Financial Secrecy Index FAQ)

The Financial Secrecy Index has grown out of discomfort with the predominant narrative about the geographical distribution of corruption. The practical result of this discomfort was an impetus to demonstrate, through empirically grounded research, that the geographical distribution of corruption was in fact completely different.

On the other hand, the Corporate Tax Haven Index ranks countries based on the degree to which they enable corporate tax avoidance, complementing the Financial Secrecy Index to draw a comprehensive picture of states' facilitation of individual and corporate tax abuse in the world. Similar to the Financial Secrecy Index, the Corporate Tax Haven Index combines the institutional disposition with the scale of corporate activity to produce a ranking of jurisdictions.

Mechanism

The Financial Secrecy Index and Corporate Tax Haven Index have played a pivotal role in reshaping narratives within policy and academic circles. In contrast to the grassroots narrative change brought about by the financial crisis, these indices predominantly exert their influence over policymakers, media platforms, politicians and researchers. What mechanisms did the Tax Justice Network activate in order to accomplish such changes? There are at least two tangible elements: first, the academic rigour exhibited in the design, testing and deployment of the indices, and second, the capacity to translate the indices into a comprehensible narrative for many audiences.

In terms of academic rigour, this stance is evident right from the outset: the Financial Secrecy Index underwent a two-year design phase before its initial full release. Subsequently, following several methodological amendments before each launch, a comprehensive methodological revision was initiated in 2016. This revision process extended more than one year and encompassed a [stakeholder survey](#) and a statistical audit conducted by the [European Commission's Joint Research Centre](#). Furthermore, the 2021 version incorporated a [feedback survey](#). The methodology has always been [accessible](#) online, and the protocols for verification, validation, and addressing critiques are well-organised (Interview 6).

This meticulous approach has culminated in the development of sound indices that finds [extensive usage](#) in policy, research and advocacy literature. Table 8 highlights key

institutions that use the Financial Secrecy Index to assess progress within different policy dimensions.

Table 8. Policy *relevant uses* of the Financial Secrecy Index

- For sustainable rankings: Moody’s ESG Solution Group, imug and ISS ESG.
- For governance and development rankings: the Basel Institute of Governance and the Centre for Global Development.
- For estimating Illicit Financial Flows: the 2014 Tana High Level Forum on Security in Africa and the 2015 report of the Economic Commission for Africa’s High-level Panel on IFF on Africa.
- For sustainable business practices: Fair Tax Mark and the Global Financial Centres Index.
- For monitoring SDGs and the 2023 agenda: the Sustainable Development Report includes FSI Secrecy Scores as well as 2030 Watch.

Furthermore, the Financial Secrecy Index is used to substantiate academic research published in journals including the European Journal of Criminology, Economic Geography, Swiss Political Science Review, Journal of European Public Policy, and Regulation and Governance. And, the indices are cited in a plethora of tax justice publications in the realm of grey literature. Finally, the only known attempt to challenge the index on technical grounds, deployed by Cayman Finance ([2021](#)), has been publicly refuted ([2014](#), [2020](#) and [2021](#)).

To have an empirical sense of the academic rigour of the Financial Secrecy Index, we devised a simple test, comparing the Financial Secrecy Index against other indices and datasets that are commonly used in the evaluation team’s field of work (i.e., democratic governance, conflict studies, policy evaluation). These indices are: Varieties of Democracy (V-Dem), Peace research Institute Oslo (Prio), World Values Survey (WVS), the Armed Conflict Location & Event Data Project (ACLED), Latin America Public Opinion Project (LAPOP), Consumer Price Index (CPI), Fragile States Index, the Economist Democracy Index, the Index of Economic Freedom and the Doing Business project. The comparison was made in three dimensions: the availability and sophistication of the methodological notes, the presence or absence of strong critiques to the indices, and their scientific impact, measured by citations in google scholar. Table 9 displays the comparison.

According to our simple empirical test, we find evidence that the Financial Secrecy Index has strong academic rigour: its methodological note is extensive and easily available, there are no strong critiques to its validity, and its impact measures are similar to the most credible indices in the list.

Table 9. Indices or datasets with levels of availability, validity and usage

Index/Dataset	Availability ¹	Methodological credibility ²	Validity ³	Citations in Google scholar ⁴
Financial Secrecy Index	Available	High	High	<u>187</u>
Varieties of Democracy (V-Dem)	Available	<u>High</u>	High	<u>273</u>
Post-Conflict Justice Dataset (Prio)	Available	<u>High</u>	High	<u>151</u>
World Value Survey (WVS)	Available	<u>High</u>	High	<u>365</u>
Armed conflict location and event dataset (ACLED)	Available	<u>High</u>	High	<u>1982</u>
American Barometer (LAPOP)	Available	<u>High</u>	High	<u>597</u>
TI - Corruption Perception Index (CPI)	Available	<u>Low</u>	<u>Low</u> <u>Heywood 2015,</u>	<u>116</u>
Fragile State Index	Available	<u>Low</u>	<u>Low</u> <u>Raza 2020, Bhuta, 2015,</u> <u>Carlsen & Brüggemann</u> <u>2013, Others</u>	<u>36</u>
Economist Intelligence Unit Index of Democracy	Low availability	<u>Low</u>	<u>Low</u>	<u>538</u>
Index of Economic Freedom	Available	<u>Low</u>	<u>Low</u>	<u>134</u>
Doing Business	Available	<u>Low</u>	<u>Low</u> <u>Hoyland et al 2012, World</u> <u>Bank 2020</u>	<u>113</u>

1. Easiness to get the methodological note or the codebook.
2. Measured by the depth and rigour in explaining the index. Very short methodological notes will reveal poor robustness. But long notes will not necessarily reveal the opposite. Theory-based sections, empirical descriptions of data collection, and limitations are appreciated. Non-weighted or very simple weighted indicators are not taken as credible methodological designs.
3. Measured by the presence/absence of strong critiques of its validity in peer-reviewed publications
4. Citations are, when possible, based on the academic paper on the methodology of the indices or data sets. Each case has a link to the published article.

In terms of translating the indices into a comprehensible narrative, the Tax Justice Network has managed to circumvent the technical complexities and translate its message for a broader audience. Given the complexity of comprehending and conveying the nuances of tax misconduct, and understanding intricate concepts such as trusts,

financial secrecy, beneficial ownership, secrecy jurisdictions and various other concepts related to taxation, the possibility of using a ranking and constructing an argument based on a country's placement within that ranking has likely heightened its appeal to audiences without technical expertise. In fact, the Tax Justice Network has observed the emergence of a trend wherein national politicians are employing the Financial Secrecy Index as an effective means to communicate the issue of tax abuse.

Table 10. References to the Financial Secrecy Index and Corporate Tax Haven Index in political forums

- US Senators citing the Financial Secrecy Index in Judiciary Committee Hearings and in a speech on transparency
- The Italian antitrust agency using Financial Secrecy Index data on tax avoidance in a presentation to Parliament
- Nigerian President Muhammadu Buhari quoting the Tax Justice Network in an address to the High-Level National Side Event organised by the African Union Development Agency and New Partnership for Africa's Development (AUDA-NEPAD)
- Canada amending the Canada Business Corporations Act following the country's unfavourable ranking in the Financial Secrecy Index
- Senegalese President Macky denouncing a double tax treaty between Senegal and Mauritius following the launch of Corporate Tax Haven Index
- The Andean Parliament issuing a declaration saluting and welcoming the Corporate Tax Haven Index on its release
- The Dutch Minister of Finance suggesting that tax rulings should be made public after the launch of the Corporate Tax Haven Index made front page news

Source: Tax Justice Annual Report 2019

Finally, indices have had influence on policy change. As detailed in Report 15, the Tax Justice Network has engaged with diverse African countries and their respective tax authorities to analyse their vulnerability to illicit financial flows (IFF). The assessment of IFFs comes from the detailed information found in the indices. Thanks to this work, the Tax Justice Network has worked closely with some African governments to devise risk mitigation strategies for outward financial flows. Similarly, indices are used to trace the progressive implementation of Automatic Exchange of Information, Beneficiary Ownership and CBCR.

To conclude, methodological rigour, the simplified message that derives from the data, and its policy implications so far, are what seem to account for the indices' increased popularity and influence. According to media monitoring metrics, since 2018, each new edition of the Financial Secrecy Index gained more than three times as much media reach as the version before it (Interview 2).

What are the implications of this mechanism?

Some interviewees (8, 9, 12, 14, 24) perceive the relevance of indices to be diminishing. According to them, the original purpose of the index was to offer a snapshot of financial

secrecy, without overcommitting institutional resources to their production. Similarly, Evaluation 19 reveals that some of the Tax Justice Network partners cautioned against excessive reliance on quantitative analyses, highlighting the importance of sustaining legal and accounting approaches.

The authors of this report posit that the consistent generation of these indices, and subsequently the State of Tax Justice reports, aligns with the principles of professionalisation, sustainability, and growth. More significantly, it solidifies the Tax Justice Network's standing as a leading organisation for evaluating financial secrecy and corporate tax havens, bolstering its credibility to a level comparable with well-regarded indices like V-Dem or WVS, which are highly regarded for their validity and reliability.

As V-Dem serves as the go-to resource for longitudinal and cross-sectional democracy metrics across countries, we anticipate that the enduring advantages of regular index production will manifest over the long term, likely within decades.

Following V-Dem's example, strengthening collaborations with regional partners becomes crucial to foster a deeper comprehension of data specific to each region and nation. Furthermore, maintaining accessible and open information is essential, enabling raw data to serve for innovative research beyond the boundaries of the Tax Justice Network. We believe that adopting this approach will yield incremental but impactful benefits in terms of credibility and knowledge appropriation by the scientific community.

4.6 Global Alliance for Tax Justice (2013)

According to the majority of interviewees, the establishment of GATJ in 2013 marked a fundamental moment in the evolution of the tax justice space towards a truly global and inclusive movement. Simultaneously, it played a significant role in shaping the Tax Justice Network's own identity (Interviews 1, 23, 21, 20, 15, Evaluation 19).

Nevertheless, the true significance of this milestone is in narrative change, as it triggered the adoption of a rights-based approach from the Tax Justice Network and the movement in general. After 2013, but more clearly since 2015, the Tax Justice Network pushed for the adoption of gender, human rights and climate justice in the tax justice agenda (Report 11), in an attempt to update their approach to taxation and development, but also to reinvent their relations with Global South partners. What was originally a narrative approach from the Global South (identifying the discriminatory relations underlying tax structures), became the common denominator of tax justice advocates.

OTT has produced an in-depth outcome story that delves deep into the creation and progression of GATJ. The story seeks to explore the role that the Tax Justice Network

has had in the development of the global movement for tax justice and the junctures that led to the creation of GATJ. Complementing that story, this section offers an interpretation of why the separation of GATJ from the Tax Justice Network is a pivotal moment for narrative change. Despite initially appearing as a setback for tax justice, the separation unfolds substantive positive outcomes.

From the beginning GATJ established itself as a Southern-led coalition comprising regional organisations, representing a multitude of international, national, and subnational civil society entities. From its inception it set itself to uncovering and challenging post-colonial, anti-feminist, and other implicit or explicit discriminatory paradigms that perpetuated power imbalances. Consequently, it injected the movement with an increased awareness of the biases ingrained in contemporary social agendas. This consciousness was further solidified through a rights-based approach to global tax reform, along with working groups focused on extractive industries and gender issues.

Aligned with this stance, GATJ maintains a distinct perspective on the inadequacy of the OECD for effecting international tax reforms with genuinely progressive and redistributive implications. Conversely, and in contrast to its current members, the Tax Justice Network's founding members retain a level of optimism regarding the potential for reform processes to be channelled through the OECD.

Mechanism

The significant consolidation of an independent GATJ marked a milestone for reshaping the narrative within the tax justice movement and it quickly became both a thought leader and legitimate leader in its own right. This consolidation spotlighted dimensions of social justice that had traditionally been overlooked, specifically, human rights, gender issues, and the engagement of non-elite participants. While documents such as "Tax us if you can" (2005) had touched upon the intersection of tax and gender, it wasn't until 2013 that these subjects were brought to the forefront of the agenda as standalone concerns.

Therefore, the potential for a more pronounced divergence between the Tax Justice Network and GATJ appears to have prompted the Tax Justice Network to adopt a rights-based approach in a more explicit and adamant manner (Relevant 38, Sensemaking workshop). Successively, the nature of collaborative work pursued by the Tax Justice Network alongside its partners appears to have evolved towards a more horizontal and cooperative relationship (Evaluation 19).

What are the implications of this mechanism?

The existence of tax justice organisations in the Global South enriches the movement. They bring to the table a new set of demands and viewpoints that could not have been legitimately posed and sufficiently articulated by the Tax Justice Network alone. Openness to the emergence of new players at the tax justice movement is critical to pursue further richness and representativeness.

Global South organisations interviewed still consider that there is room to improve their technical proficiency on tax matters. This is an opportunity to create new partnerships on the basis of technical capability transfer.

In this context, the Tax Justice Network is perceived as a thought leader, mainly for its work with indices and for the State of Tax Justice report. This perceived role could be enhanced with more scientific and research work directed towards the Global South. Although the overall distribution of research on taxation is skewed towards Global North conundrums, this evaluation team was surprised to see that academic literature referencing the Financial Secrecy Index (as of May 2023) also displayed minimal interest in the specific tax situation of countries in the Global South. Similarly, there are no recent publications from CSOs, NGOs or national authorities that reference the Financial Secrecy Index from a Global South perspective.

4.7 Lima and Bogota Declarations (2015, 2017)

The Lima and Bogota Declarations are key moments for the tax justice movement as they normalised the nexus between taxation, human rights and gender in the narrative landscape. Furthermore, these meetings helped to restore the relationships of the Tax Justice Network with Global South organisations and leaders.

The progression of these agendas can be clearly traced. Beginning in 2013, the Centre for Economics and Social Rights invited the Tax Justice Network to address gender and human rights from the perspective of taxation (Interview 3). The 2015 [Lima Declaration](#), co-convened by the Tax Justice Network and endorsed by 102 civil society organisations (CSOs), urged nations to bolster their fiscal capabilities to uphold human rights. Additionally, it called upon corporations to address instances of corporate tax abuse as a human rights concern. Subsequently, the 2017 [Bogotá Declaration](#), supported by the Tax Justice Network, provided a platform for exploring the synergy between taxation and women's rights.

This human rights and gender approach persists in the Tax Justice Network through their work within the gender and taxation working group established by GATJ and an ongoing engagement with the UN Committee for the Elimination of Discrimination Against Women (CEDAW) (Report 13, 14, 15).

One important effect of the Tax Justice Network's participation in these meetings is its well-known relationship with key human rights and gender leaders from the Global South. Today, at least one of these leaders has been appointed as a high-ranking government official in fiscal matters, and her agenda has focused on bringing human rights and gender considerations to tax and fiscal policy. Although an outlier, the evaluation team considers this has relevance to the broader movement, as it shows that the tax justice agenda can permeate state institutions in the Global South. In turn, this

invites civil society assessment and proposals for tax reforms to be increasingly technical and practical, so they can be easily translated into policy.

Box 2

A Latin American Summit for Tax Justice

High ranking officials from the Colombian Ministry of Finance, who are also well-known tax justice advocates, invited Latin American Finance Ministers to establish a regional entity focused on shaping international tax reforms, challenging the predominant views of the OECD. In the preparatory meeting, the [final recommendations](#) from civil society organisations to Finance Ministers advocated for a tax system grounded in the pursuit of human rights and climate justice. If successful, this nascent regional organisation will fortify the movement's trajectory towards a UN tax convention. Notably, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) will be housed as the organisation's secretariat.

Mechanism

The Tax Justice Network played an important role in convening the Lima and Bogota Declarations. With its support, it provided the organisational and financial backing required for the reunion of tens of civil society organisations. Although the agenda was independently agreed and debates were fully anchored in a Global South perspective, the Tax Justice Network was seen as a legitimate facilitator. This is a necessary role in order to continue catalysing the global movement.

What are the implications of this mechanism?

The facilitator role is a valid one when interacting within predominantly Global South players. This is an approach that big donors are embracing, with Ford Foundation, Open Society Foundations and USAID being prominent examples. The results seem to be increased trust as well as increased capacity to find new solutions to pervasive problems.

4.8 UN Tax Convention (Ongoing)

The road towards a UN tax convention is a milestone for tax justice, particularly for setting the stage for a radical change in international tax governance. Although the ultimate goal has not yet been achieved, the narrative that precedes and promotes the change is unambiguously changing the political landscape of international tax governance. In less than three years, the prospect of a UN tax convention has shifted from an ideal to a plausible possibility. This section will describe the recent steps toward a UN tax convention, and will then provide an interpretation of the Tax Justice Network's influence in this process.

In 2019, the Nigerian presidency of the UN General Assembly and the Norwegian presidency at the Economic and Social Council (ECOSOC) agreed to a global panel that would suggest reforms to the global financial system. This was seen as a window of opportunity for a potential intergovernmental tax body and the Tax Justice Network's inputs were sought (Report 15).

In 2020, the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) initiated its work. Its mandate was to revisit all the financial architecture related to tax justice and illicit financial flows. The [final report](#), published in 2021, uses the country level estimates of tax erosion and tax evasion calculated by the Tax Justice Network's State of Tax Justice 2020 report. Moreover, it fully endorses the ABC of transparency platform that was developed by the Tax Justice Network more than a decade before, and recommends the creation of a UN tax convention.

In May 2020, the prime ministers of Canada and Jamaica and the UN Secretary General launched an initiative on [Financing for Development in the Era of COVID-19 and Beyond](#). This initiative attempted to promote specific financial solutions to counter the effects of the pandemic. Alex Cobham was part of an expert group that provided inputs for this initiative, one of which was the call for a UN tax convention. In parallel, the Tax Justice Network had suggested in the State of Tax Justice 2020 report, the use of wealth taxes and taxes on excess profits during the pandemic as a way to finance the public response. In the end, both initiatives discussed the concept of a UN tax convention as a possible avenue for the future.

In its 2020 annual report, the Tax Justice Network highlighted that in the months before the release of the 2020 State of Tax Justice report, the term "UN tax convention" had an average monthly media reach of 348,000. During the month the report was released, it peaked at 1.7 billion mentions. Of these, 83% of the stories referred to the Tax Justice Network. Although the term "UN tax convention" is only mentioned once in the report, its press release and the related social media activity consistently called for a

UN tax convention. The ability of a small NGO to put a long shot policy issue like this onto the media's radar and catapulting it up the news agenda is a rare feat.

Regarding these metrics, the authors of this study consider that this reveals a strong correlation between the Tax Justice Network and the call for a UN tax convention, making the Tax Justice Network a go-to resource for anyone interested in an independent approach to global tax governance. It also shows that around 2020, the possibility of a UN tax convention has increased, boosting the interest of many people outside the tax justice ecosystem.

This makes sense when we acknowledge that all references to a new tax governance structure by the Tax Justice Network come with a call to a UN tax convention, and most references to a UN tax convention use empirical evidence of tax loss, mainly from the State of Tax Justice reports. Therefore, this exposes the strong relevance of the Tax Justice Network for substantiating the case for a big change in international tax governance.

An important push in the trajectory towards a UN tax convention has come from Africa. First, in May 2022, the UN Economic Commission for Africa and the Ministers of Economy of the African Union requested the UN to start working on a tax convention. In October 2022, the G77 group (representing more than 130 countries in the UN) proposed a resolution. This resolution was opposed by developed countries. But a [revised version](#) was then presented by the African Group and was approved by consensus in November 2022 ([The Guardian 2022](#); [GATJ 2022](#)). This resolution called on the UN Secretary General Antonio Guterres to produce a report to elaborate on this matter. [This report](#) was released in August 2023, and concludes that “enhancing the UN role in tax-norm shaping and rule setting” would be the best way towards inclusive and effective tax cooperation. The report puts a UN tax convention on the table, along with other alternatives that do not neglect current standards. A high-level UN dialogue on Finance for Development took place in September 2023, and the central topic is expected to be international tax cooperation frameworks ([EURODAD 2023](#)).

Finally, this trajectory has ignited the creation of regional initiatives that aim to create wider coalitions to garner better negotiation capacity in the current or future tax regimes (i.e., the [Regional Tax Cooperation Platform for Latin America and the Caribbean](#)).

Box 3

The Tax Justice Network's influence on the way we measure development

The participation of the Tax Justice Network in the formulation of SDG indicators was not mentioned by interviewees, although it appears frequently in its latest annual reports (2017, 2018, 2019). This is a very relevant chapter in the history of the Tax Justice Network because it seems like a validation of its status as a strong stakeholder within UN

processes. In 2017 the Tax Justice Network raised the alarm about the potential exclusion of multinational corporations from the scope of illicit financial flows metrics. This motivated the participation of the Tax Justice Network experts in the UN group that was responsible for designing the SDG 16.4 indicators. In 2018, the indicator suggested to account for tax erosion and tax evasion were adopted for piloting. In 2019, a new round of piloting was approved. In June 2023 the first estimates of Illicit Financial Flows, as measured by SDG 16.4.1 indicator, were released for Afghanistan, Bangladesh, Colombia, Ecuador, Maldives, Mexico, Myanmar, Nepal and Peru.

Mechanism

This milestone is critical for narrative and policy change. Following John Christensen's affirmation that policy change follows narrative change, an important element to conceiving a future UN tax convention is showing stakeholders that such a thing is possible. What was the Tax Justice Network's role in fostering this belief?

In this sense, the Tax Justice Network's long-standing call for a UN tax convention might have been even more influential than its direct actions supporting national delegations at UN processes. At least since 2011 we can trace the Tax Justice Network highlighting the benefits of an inclusive governance institution for international tax reforms. However, some of the interviewees (14, 8) remained reticent about the possibility that a UN tax convention is ever going to come to fruition. This is perhaps understandable in the context of an OECD process that promised an inclusive framework but was unable to deliver.

All of the calls for a UN tax convention that we have traced cite the Tax Justice Network's estimates of annual tax loss at both the individual and the corporate level. See for example (2014), The High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI) Panel (February 2021), [World Economic Forum](#) (June 2021), [EURODAD and GATJ](#) (May 2022) and [Norwegian Academy of International Law](#) (September 2022). Interestingly, all of the UN resolutions that spun from these assessments fail to use the concept "tax justice" ([AU-UNESCO 2022](#), [UNGA 2022](#), [UNGA 2023](#)). This means there is still room to influence narrative change at the highest political levels.

It is apparent that the Tax Justice Network has provided the most encompassing estimates of global and country-level tax loss, which in turn allowed several reports to deliver credible accounts of fiscal impacts by multinational corporations and individuals. In other words, the Tax Justice Network has been able to measure the burden of tax loss (very much like the disability-adjusted life year (DALY) measures the burden of disease), allowing for national and international comparisons to be possible.

This impetus to be savvy number crunchers has been present since the beginning of the Tax Justice Network. It is evidenced in the publication and revisions of reports such as

“Tax us if you can” (2005, 2012) and the “Price of Offshore” (2005, 2012). And it consolidates with the production of the indices, the State of Tax Justice and more recently, the State of Beneficial Ownership. In this case, the narrative change that occurred can be attributed, in part, to the Tax Justice Network’s capacity to provide the empirical basis for the tax justice grievances.

What are the implications of this mechanism?

Apart from the early calls for a UN tax convention, the even earlier design of the ABC of transparency and the proposals to monitor taxing rights (Cobham 2019), it seems there is a wide-open space for the Tax Justice Network to make proposals on the specific institutional architecture of an inclusive tax governance system. We did not come across documents authored by the Tax Justice Network that suggest institutional designs for a potential international tax governance framework based in the UN. Organisations like the [South Centre](#) and [EURODAD-GATJ](#) have engaged in such proposals, and we feel this could be a potential avenue for the future of the Tax Justice Network.

4.9 State of Tax Justice (2020)

The State of Tax Justice reports are considered a crucial contribution to the tax justice movement as they consolidate the available empirical evidence for a comprehensive assessment of tax abuse, both at a global and country-specific level. Leveraging anonymised data extracted from OECD country-by-country reports published in 2016 and 2017, the Tax Justice Network successfully released four editions of this report in 2020, 2021, 2022 and 2023. It is worth noting that the 2022 edition served as a ‘stopgap edition’ due to the aggregated data not being published.

The State of Tax Justice report has established a combined estimated (corporate and private) annual tax loss of approximately USD 500 billion. In terms of corporate tax abuse, the estimate ranges from USD 245 billion in 2020 to USD 311 billion in 2023. Alternative estimates of corporate tax abuse can be found in sources like the FACTI Panel (ranging from USD 500 to 600 billion), the OECD (USD 100 to 240 billion), and research by Wier and Zucman in 2002 (USD 250 billion).

The Tax Justice Network's estimate has garnered the most significant attention from media outlets, development agencies, and advocacy and grassroots organisations. Its estimates, revisited almost annually, represent a substantial contribution to the collective narrative and illustrate the geographical distribution of the problem.

There is a clear acknowledgment that the estimates are inherently imperfect; nevertheless, a substantial effort is invested in formulating the most precise estimates attainable based on the available information. Similar to the indices, the publication of

the State of Tax Justice reports has significantly amplified the audience and reach of the Tax Justice Network (Interview 2).

In the recent trend of producing reports aimed at summarising the annual state of affairs within specific domains of work, such as "[Think Tanks state of the sector](#)" or "[State of Civil Society Reports](#)," the State of Tax Justice aspires to establish itself as the primary resource for matters related to tax justice. Beyond tax loss estimations, the report also encompasses a ranking of vulnerability to illicit financial flows and updates to the Financial Secrecy Index (published biennially). Moreover, it reflects human rights, gender and health impacts of tax losses.

The State of Tax Justice reports offer a credible narrative of tax loss. They maintain a strong technical foundation while offering simple and comprehensible interpretations of tax abuse. However, adoption within the ecosystems of the Global South remains somewhat constrained. Insights from interviews (7, 20, 21) indicate that the estimations for certain Latin American countries significantly diverged from other assessments, posing challenges to the report's dissemination.

Mechanism

The State of Tax Justice reports consolidate the Tax Justice Network's position as one of the primary knowledge producers within the tax justice movement. What mechanisms are activated by the Tax Justice Network to achieve this position?

Our argument contends that this achievement is underpinned by the Tax Justice Network's two decades of experience. This experience manifests in the reference to human rights, gender, illicit financial flows, and financial secrecy in the State of Tax Justice reports, although the novelty was the use of country-by-country reporting data to estimate individual and corporate tax loss. In hindsight, this series of reports can be viewed as an evolution from the pioneering work of Richard Murphy and John Christensen in "Tax Us If You Can," wherein they estimated offshore private tax abuse at USD 255 billion in 2005, and a range between USD 190 and USD 280 billion in 2012.

Furthermore, the State of Tax Justice reports are produced mainly by in-house staff, underscoring the Tax Justice Network's distinctive internal capabilities. After the comprehensive evaluation of the Tax Justice Network's volume and calibre of work undertaken throughout this evaluation process, we assert that the Tax Justice Network appears to be a cost-effective organisation, a trait it has maintained from its inception. Some interviewees rightly pointed out that this cost-effectiveness may have been even more pronounced in the early stages when the organisation had a truly network-like structure. Nevertheless, contemporary figures still indicate a highly-efficient organisation.

To substantiate this observation, we examined the annual reports of various international organisations to gauge the relationship between their intellectual and

activist output and their available financial resources. This comparison, while straightforward and unstructured, provided us with insights into the funding landscape. Table 11 allows us to conclude that, among all the organisations listed, the Tax Justice Network operates on a much smaller budget. Nevertheless, our research project has revealed a noteworthy observation: this financial constraint does not necessarily align with its substantial influence and prolific output.

Table 11. Annual budget

	2021 Budget*	Organisation
\$	8 176 470	CIVICUS
\$	6 520 000	Freedom house
\$	20 848 290	Transparency International
\$	3 821 720	Publish What You Pay
\$	32 908 597	Greenpeace
\$	437 814 090	Amnesty International
\$	1 988 758	Tax Justice Network

Source: Annual reports found online

* Converted to 2021 USD when provided in Euros or British Pounds

In conclusion, throughout the Tax Justice Network’s history, there is a blend of change and continuity. Change becomes evident through the increasing prominence of the rights-based agenda, the enhanced status of indices and academic research, and a drive towards professionalisation and organisational growth. However, continuity is also evident in the persistent capacity to position itself as a thought leader within the movement. In the first decade, this pursuit was advanced through advocating for the ABC of transparency and with the help of a network of senior specialists with reputable professional trajectories. Presently, this mission continues through an expanded ABC of transparency platform, but with a new generation of advocates and scholars that are building or consolidating their research careers.

What are the implications of this mechanism?

A cost-effectiveness reflection might be relevant for future donor relations. We understand that some high-impact donors (those that look for maximum impact for every dollar spent; and those relying on impact evaluations and cost-effectiveness estimates to determine funding allocation) are starting to reconsider the importance of supporting advocacy and research-based charities while moving away from the idea that only public health and poverty relief charities can maximise their goals. In line

with this, high-impact donors have started to invest in charities that pursue policy reforms. See the example and reflections of [GiveWell](#) and [Open Philanthropy](#), which jointly direct close to USD 1 billion to cost-effective charities annually. These are important charity assessment and funding partners in the philanthropic sector with a strong bias for evidence-based interventions.

The underlying logic is that a policy reform can be extremely cost-effective if the perspectives of change are real, and the charity has credible and sufficient leverage to trigger change. With this in mind, embracing a cost-effective approach to research and advocacy may also serve the goals of professionalisation, sustainability and impact.

5. Key findings

Every subsection in chapter four describes a mechanism and its implication for the future, which are important findings of this study. Some of the mechanisms referred to are: **diffusion**, functional for catalysing the movement; **rigour and simplified narrative**, to convey the empirical basis of the tax justice conundrum and promote narrative change; **entrepreneurship**, to transform an intellectual breakthrough into an innovative organisation, igniting movement building; **link ecologies**, first raised by Seabrooke and Wigan, referring to the Tax Justice Network's capacity to navigate well between different epistemological communities, with effects over policy change; **consistency**, for providing the empirical basis, the arguments and the social pressure to pursue new ideas like CBCR and a UN tax convention; and **experience and openness**, to subscribe to the human rights and gender approach to tax justice, that has been developed by Global South organisations and is a necessary condition for narrative change.

Among the implications for future work, we identified opportunities in i) fostering intellectual and advocacy work within the Global South, ii) advancing a proposal for the institutional set-up of a UN tax governance body, iii) holding a facilitator role among Global South partners, complementing their independent approach, iv) adapting during windows of opportunity, like economic and social crisis, to advance further the tax justice platform, v) aiming for incremental progresses, like with CBCR, vi) continuing to provide the empirical data in the indices and the State of Tax Justice reports, to consolidate as the evidence base leader of the tax justice movement, and vii) setting up a monitoring, evaluation and learning system to follow-up on progress and recalibrate strategic goals based on evidence.

Apart from these, additional findings are:

- **Evidence-based advocacy.** Our research underscores the commitment of the Tax Justice Network to the principles of evidence-based philanthropy. Drawing upon our experience, we posit that the alignment of evidence-based outputs and advocacy constitutes the path toward sustainability, enhanced professionalism, and heightened impact.
- **Media and outreach.** The Tax Justice Network has become a go-to resource for media outlets, development organisations and government institutions to explain, substantiate and assess arguments in the tax justice space. Actually, the scope and reach of its media coverage has increased exponentially over the years. Nonetheless, we contend that media reach should not be the dominant metric for gauging impact. Instead, a robust M&E system and periodic process evaluations should provide a clearer picture of the extent to which milestones, benchmarks and progress markers are advanced by the Tax Justice Network.

- **Indices and knowledge production.** Regarding the indices and the annual State of Tax Justice report, these seem to have become a central part of the Tax Justice Network's work. Partners in the Global South appreciate above all this capacity to produce the empirical basis for their arguments. These knowledge outputs consolidate the Tax Justice Network's role as knowledge producer.
- **Appropriation and research agendas.** We also found that the appropriation of indices is still overwhelmingly Eurocentric. For example, scientific research that uses the indices have minimal references to jurisdictions in the Global South. There is a great opportunity to promote the use of indices for scholarly work in African and Latin American contexts.
- **UN Tax Convention.** The journey towards a UN tax convention, a momentous development within the tax justice space, has been significantly underpinned by arguments and evidence put forth by the Tax Justice Network over the past decade. To provide an important part of the empirical basis to substantiate the arguments for a potentially revolutionary governance shift is a key achievement and exemplifies the sort of goals the Tax Justice Network should be monitoring.
- **Catalysing the movement.** The Tax Justice Network has had two main avenues for catalysing the movement. One avenue entails a diffusion mechanism, wherein internal staff or close associates draw inspiration from the Tax Justice Network and establish their own tax justice initiatives or research agenda. The other involves providing support and convening global meetings primarily led by leaders from the Global South and shaped by their agenda. As the potential for more funding increases, we contend that other avenues for catalysing the movement could be contemplated, such as expanding efforts to share Tax Justice Network's international communications platform and media profile, and further supporting Global South organisations to access funders and funding opportunities.
- **Gender and Human Rights research.** Gender and human rights have been rightfully integrated into the Tax Justice Network's narrative and advocacy agenda. Nevertheless, these areas have not yet been a matter of regular scientific inquiry that leads to publications, as other topics have done so in the past.
- **Movement building.** It seems that the tax justice movement relies on the Tax Justice Network to do some of the international empirical work that serves as the basis for their activist work. However, even without their involvement in empirical research, the movement is composed of independent and influential organisations in their own right. A vigorous civil society movement for tax justice was evidenced in Africa and Latin America.

6. Outcome stories

The following section presents a detailed narrative in the form of outcome stories of three of the aforementioned milestones. Through this approach, we seek to address the Tax Justice Network's contribution to the field by documenting and analysing outcomes in terms of the description of change (who is doing what differently?), the significance (why does that matter?) and the contribution (what is the Tax Justice Network's contribution to that change?). The selection of the milestones was made based on the following criteria:

1. Their potential to address the three hypotheses that guide this study (see section 3.2).
2. Their potential to provide a broad view of the reach of the tax justice movement in different arenas.
3. Their potential for learning about the factors and circumstances that contribute to achieving a story of success.
4. The availability of information.

Overall, the results are three outcome stories told in a simplified way that can be useful to introduce part of the Tax Justice Network's trajectory, successes, and critical junctures to a wider audience.

6.1 Outcome 1: The foundation of the Global Alliance for Tax Justice

The foundation of the Global Alliance for Tax Justice (GATJ) represents a milestone for the tax justice movement. The GATJ has become a key player in the fight for tax justice, given its legitimacy as the coordinator and mobiliser of grievances and proposals from civil society in the Global South and its capacity to put them on the agenda of multilateral institutions at the highest level. This story seeks to explore the role that the Tax Justice Network has had in the development of the global movement for tax justice and the junctures that led to the creation of GATJ.

The Creation Process

The Global Alliance for Tax Justice is a South-led global coalition of the tax justice movement working to promote progressive and redistributive tax policies to push for transformative changes at the national and global levels to make tax work for economic justice and social progress.

Founded in 2013 at the Tax Justice Council meeting in Lima, Peru, GATJ represents an umbrella body for mass mobilisation. It brings together regional networks focused on

tax justice across different continents: Tax & Fiscal Justice Asia, Tax Justice Network Africa, Red de Justicia Fiscal de América Latina y el Caribe, Tax Justice-Europe, and Canadians for Tax Fairness & the FACT Coalition in North America. In turn, these networks collectively represent hundreds of organisations, including most major charities which campaign on tax, such as ActionAid, Christian Aid and Oxfam.

Before GATJ, the Tax Justice Network provided a hub for facilitating coordination, cooperation and information sharing between individuals and organisations working in the promotion of tax justice through its international not for profit association based in Belgium: The Tax Justice Network International Association Sans But Lucratif (TJN-AISBL). The Association was directed by a Board of Directors and its ultimate decision-making body was the Global Council, which was convened biannually. The Tax Justice Network also had an International Secretariat (TJN-IS), a UK-based company that provided secretariat support to the Association and its regional steering committees since the network was funded, while also focusing on research, publication, and dissemination activities.

Even though a constitution of TJN-AISBL was written, in practice, the structure and the operational relationships of the network were unclear. According to some of its former members, the Global Board lacked a defined governance structure, a transparent leadership and a democratic approach to decision making. There was also a lack of consensus on the role of the Tax Justice Network. Two fundamentally different viewpoints regarding the Tax Justice Network's function coexisted, generating confusion and conflict among its members.

On the one hand, TJN-IS saw itself as the centre of the network given that they considered themselves the experts in the field. They expected discipline, coordination, and accountability from its members to support a consistent set of goals and objectives that together could coherently be identified as those of the Tax Justice Network. On the other hand, member organisations saw the Tax Justice Network as a platform to amplify the impact of their campaign efforts by joining a global movement while having their own independent and regional agendas. The attempt of TJN-IS to control the network through the observance of the activities of its members was judged as a patronising, Eurocentric, and neo-colonialist vision, leading to disagreements and tensions between members.

In 2009, a process of organisational review and restructure began with the commission of an independent internal review, followed by the drafting of restructuring proposals by members of the network and a report with recommendations developed by an independent consultant.

Finally, at the Council Meeting in 2013, a new structure for the network was adopted by majority vote. It was decided that the International Association (TJN-AISBL) would change its name to the Global Alliance for Tax Justice (GATJ) with its own Coordination Committee consisting of two representatives from each regional network

and its own secretariat to manage the global network. This structure remains to this day and while each regional network leads the agenda against tax abuse within its own political, and socio-economic context, the alliance comes in to enhance the regional work at the global level.

As for the TJN International Secretariat, it was stated that it would maintain the Tax Justice Network brand, but it would become a separate organisation with no lines of accountability in either direction with GATJ. This new organisation, which was the beginning of what we know today as the Tax Justice Network, would focus on research and advisory activities and high-level advocacy. Both GATJ and the Tax Justice Network agreed to collaborate in joint activities and be supportive of one another and formalised their cooperative relationship through a memorandum of understanding.

The significance of GATJ to the Tax Justice Movement

The fact that there is a global body bringing together hundreds of reputable organisations mobilising for tax justice is a recognition of the legitimate and irrefutable demand of just taxation as part of a broader justice and development agenda. The enmeshment of tax issues on an international scale demands seamless coordination and collaboration among the organisations interested in making an impact, and GATJ has been instrumental in facilitating synergy among its members, thereby strengthening the movement, and amplifying its voice in the fight for tax justice.

It is of particular significance that GATJ is a Southern-led organisation that seeks to empower Global South countries in their search for an inclusive and fair international tax system that suits their development goals. The creation of GATJ is also a reflection of the demand of the former members of TJN-IASBL for a representative and democratic body, respectful of the independence of its members and their right to participate in order to establish a legitimate global movement. The cultural and geographical diversity of the members of GATJ, as well as its coordinated leadership have made this alliance a proper global platform for representative tax governance.

Moreover, the mobilisation capacity and social capital of GATJ make it a key actor to build national and international pressure for accountability and fair taxation. One of its priorities is the reform of the international tax rules to make them work for development, human rights, and equality within and between countries. In that context, GATJ has had a very active role in campaigning for and supporting the establishment of a UN tax convention.

Through its work, GATJ has also strengthened the link between tax justice and other socioeconomic issues, concerning the impact that tax systems have on development. The Tax and Gender Working Group of GATJ advocates for the universal adoption of a feminist tax system that promotes gender, social and economic equality and the full realisation of women's human rights. The Tax and Extractives Working Group of GATJ seeks to develop a campaign to “stop the plunder” of the South through tax abuse by the

extractive sector, which harms the rights of communities and women affected by mining and other extractive activities.

Contribution of the Tax Justice Network: Catalysing the global movement

At the beginning of the 2000s, the Tax Justice Network was one of the pioneer organisations in approaching taxation as a concern within the realm of development. The work and the publications of the Tax Justice Network, such as the *Tax Us If You Can* report (2005), explained in a comprehensive way how tax competition and regressive tax policies, which have been the rule rather than the exception at a global level, compromise the sustainable development of countries. This reframing of taxation had a great impact among a wide variety of audiences, bringing tax justice to global attention. What once was an inaccessible and incomprehensible field for civil society was becoming a matter of public discussion and of development cooperation.

Part of the Tax Justice Network's strategy was to create a global network organised around national and regional chapters in Africa, the Americas, Asia, Australia, and Europe, and to continue to raise public awareness through the coordination of campaigns across this network. Nevertheless, the Tax Justice Network on its own didn't have the reach nor the capacity to carry out this work alone.

Through the establishment of an international non-for-profit association, TJN-IASBL became the first global body bringing together civil society and non-governmental organisations, charities, trade unions, accountants, lawyers, and scholars who cared about tax justice and were campaigning for it. Despite its deficiencies, misunderstandings, and its inadequate structure to make representational claims on behalf of the global movement, TJN-IASBL laid the foundations for international coordination for the prioritisation of fair taxation in the global space. In that sense, the Tax Justice Network catalysed a global movement for tax justice, which then grew and was renewed with the creation of GATJ.

6.2 Outcome 2: The change in the narrative on corruption

Through the creation of the Financial Secrecy Index, the Tax Justice Network has raised the issue of secrecy in the financial and legal systems of jurisdictions as the key element that enables illicit financial flows. With the revelation that all countries have some degree of secrecy, this story explores how the Tax Justice Network established a counter narrative that challenges the simplistic notion of categorising jurisdictions as either tax havens or not and shows that all countries have a responsibility in the fight for tax justice.

The Financial Secrecy Index: A Challenge To The Dominant Aid Narrative

In the 1990s, the phenomenon of corruption drew growing public recognition and discussion at the highest levels, including the World Bank, the OECD, and the UN, becoming a central feature of the development discourse as the major impediment for growth and stability.

The launch of the Corruption Perceptions Index (CPI) in 1995 by Transparency International (TI) prompted the global media to place a stronger emphasis on corruption and simultaneously exerted pressure on politicians, banks, and international funding agencies to incorporate corruption amongst the core criteria in evaluating credit risk and in determining eligibility for aid.

Nevertheless, the widespread definition of corruption promoted by TI as “the misuse of entrusted power for private gain” is a narrow conception of the phenomenon that focuses on the activities of people who hold a position in the public sphere, leaving out other powerful elites, including company directors and financial intermediaries, as well as other forms of corruption such as tax evasion.

This tendency to treat corruption as a synonym of bribery of public actors distorted the geography of corruption by identifying developing nations as the most corrupt countries while disregarding the involvement in corruption exhibited by major corporations and governments in the global North. This in turn, reinforced the narrative that corruption is primarily a problem of “poor countries” and that they are responsible for their development issues because of the corruption that they have failed to control, leading to a vicious cycle of inappropriate policy responses.

In 2007, the Tax Justice Network published a paper written by John Christensen at the World Social Forum in Nairobi entitled “Mirror, mirror on the wall, who’s the most corrupt of all?”. This paper laid the groundwork to initiate discussions around the inadequacy of the CPI’s corruption discourse. It examines how ideological factors have influenced the portrayal of corruption whilst highlighting the disregard for addressing the role of the financial infrastructure in profiting from illegal and unethical activities like tax evasion.

At that same event, the idea of creating a Financial Secrecy Index was conceived by the Tax Justice Network to promote a counter-narrative of corruption that considered the broader issues of illicit financial flows (IFF) and the offshore economy to expose how countries from the Global North play a prominent role in enabling cross-border IFFs.

The Financial Secrecy Index was first launched in 2009 and has been published regularly every two years ever since. It provides a framework to assess and rank countries according to the degree to which a jurisdiction's legal and regulatory systems promote opacity in global financial flows, thus facilitating tax abuse and money laundering. This in turn has helped to shape a different public perception of tax havens

by establishing the concept of secrecy jurisdictions and revealing a different pattern of financial secrecy compared to the common perception dominated by the idea of small island tax havens.

As a result, the Financial Secrecy Index has also generated momentum in civic and political interest in financial secrecy that the Tax Justice Network has leveraged to position tax justice policy measures at the forefront of the global agenda. These include the ABC of transparency: automatic exchange of information, beneficial ownership, and country by country reporting. Comparing the rankings of the Financial Secrecy Index throughout the years, it is possible to see how some progress has been achieved with countries adopting transparency measures, including concepts of the ABC of transparency.

The Technical Shift

The Financial Secrecy Index's methodology is based on transparent and objective data rather than perceptions, allowing it to establish a legitimate benchmark against which to judge countries' performance. To establish the ranking between countries, the Financial Secrecy Index is made up of two elements: the secrecy score which is assessed with qualitative data, and the global scale weighting for each jurisdiction, measured with quantitative data.

To obtain the secrecy score, jurisdictions are assessed using 20 indicators and several sub-indicators that encompass various aspects such as banking secrecy, anti-money laundering measures, and real estate owner registration. Secrecy jurisdictions that receive the highest secrecy scores are more opaque in the operations they host, thus becoming more appealing as destinations for routing illicit financial flows and hiding criminal and corrupt activities.

The global scale weight is in turn measured according to the share of the offshore financial services industry in the global total using public data available about the trade in international financial services of each jurisdiction. Finally, by combining the secrecy score and the global scale weight of jurisdictions, it is possible to rank countries proportionately, according to the extent to which a jurisdiction's secrecy contributes to global financial secrecy facilitating illicit financial flows.

This approach acknowledges that financial secrecy exists on a spectrum, encompassing all jurisdictions to varying degrees. This challenges the simplistic notion of categorising jurisdictions as either tax havens or others, a perspective often popularised through "tax haven blacklists" like the EU's list of noncooperative jurisdictions.

Thus, the Financial Secrecy Index functions as an index, rather than a mere list, designed to position countries along this spectrum and making it evident that every jurisdiction holds the responsibility to minimise their contribution to financial secrecy, regardless of its scale. This novel approach of ranking has the potential to support more

precise and detailed research findings, thereby facilitating more targeted and specific policy recommendations.

Uses of the Financial Secrecy Index: How The Narrative Has Changed

Although it is difficult to assess the direct contribution that the Financial Secrecy Index has had in changing the narrative regarding development and transnational corruption, it can be said that it has been instrumental in the development of the agenda around progressive taxation that began to emerge in the 2000s under the understanding that tax and financial systems are at the core of the issues of development.

With growing support from CSOs, NGOs and policy makers, the last decade has witnessed some significant changes in the approach to development and the role of taxation with the adoption of a broader view that explicitly considered IFF and tax evasion as obstacles to development.

The 2030 Agenda for Sustainable Development adopted in 2015 by the United Nations acknowledges the significance of prioritising the reduction of IFFs as a crucial concern in fostering peaceful and prosperous societies worldwide. Under target 16.4, States commit to “significantly reduce illicit financial and arms flows [...]”, and target 17.1 stands for strengthening domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection. There were no similar pledges concerning IFFs and support for domestic revenue generation in the previous Millennium Development Goals.

In this context, the Financial Secrecy Index represents the only tool that provides cross-country information on financial transparency. It has garnered international recognition and has served as a point of reference for academics, international organisations, and governments in academic publications, reports, and policy research, as shown in the annex where a list of documents that make references to the Financial Secrecy Index is presented. In these documents financial secrecy is acknowledged as a defining characteristic of the global economy, closely linked to the issues of corruption, tax evasion and avoidance, money laundering, and lax regulation. The Financial Secrecy Index is also used in the construction of a number of important broader indices, such as the Center for Global Development’s Commitment to Development Index and the Basel Anti-Money Laundering Index published by the International Centre for Asset Recovery.

6.3 Outcome 3: On the road to the establishment of a UN tax convention

The combination of technical capabilities, political influence, and perseverance has made the Tax Justice Network a central force for change in international tax governance. This story explores the Tax Justice Network’s contribution to policy

changes on tax issues at a global level through their long-standing battle for shifting international tax debates from the OECD to the UN, which is gaining more traction than ever and could be forging the next critical juncture in the history of tax justice.

The adoption of the draft resolution on the “Promotion of inclusive and effective international tax cooperation at the United Nations”: On November 23rd, 2022, during the 77th session of the Economic and Financial Committee (Second Committee) of the UN General Assembly, the draft resolution tabled by the Africa Group under the leadership of Nigeria on the “Promotion of inclusive and effective international tax cooperation at the United Nations” was adopted by unanimous consensus.

The resolution initiates intergovernmental discussions at the United Nations headquarters in New York on ways to strengthen the inclusiveness and effectiveness of the architecture for international tax cooperation, including the proposal for a UN tax convention to be negotiated. This convention holds the potential to establish an inclusive intergovernmental tax body that sets the rules for the future, going beyond the Organisation for Economic Co-operation and Development (OECD) arrangements that have largely excluded lower-income countries.

It also requested the preparation of a report by the Secretary General to serve as a foundation for discussion at the Assembly's annual session, which was held in September 2023. The report encompassed an analysis of various international legal instruments, and recommended three options: a legally-binding UN tax convention but with limited scope; a legally binding UN tax convention with a wide-ranging scope; and a non-binding framework for an agenda on international tax cooperation. A degree of early consensus emerged during the September session in favour of the second option, although the road to this outcome remains uncertain as of writing.

A possible shift in the power dynamics

The adoption of this resolution has been described as a historic decision since it opens the door to negotiations to establish an international tax cooperation instrument within the UN, which represents the beginning of a potential shift in the power dynamics of the international tax architecture.

Over the last 60 years, the OECD has been the world's leading rule maker on global taxation, but it has been widely criticised for prioritising the interests of developed nations at the expense of developing ones. Nearly ten years after the OECD settled the first Base Erosion and Profit Shifting (BEPS) agenda, international tax abuses have continued to grow, and despite the establishment of the Inclusive Framework on BEPS, developing countries have expressed their discontent, arguing that they don't have an equal footing in decision-making processes.

Consequently, lower-income countries face a systematic disadvantage due to an eroded tax revenue base caused by prevalent financial structures and systems that facilitate widespread tax avoidance and evasion. Practices such as profit shifting and other methods employed by multinationals to avoid taxation hamper the capacity of all nations to invest in sustainable development, but disproportionately affect lower-income countries, and contribute to pervasive inequality and inequity, both within and between countries.

In this context, dissatisfaction has increased among developing countries regarding the current state of international tax cooperation which has led to the search for a globally inclusive forum for international tax cooperation at the intergovernmental level.

Serious proposals for a global tax body have been put forth since at least the 1990s but whenever the G77 countries or other nations have presented these proposals, the original OECD members have consistently rejected them. However, entities such as the FACTI Panel and the African Ministers of Finance, Planning, and Economic Development have reiterated the need to establish a tax convention within the United Nations in recent years.

The adoption by consensus of the draft resolution tabled by the Africa Group last November indicates a widespread endorsement for the establishment of a more inclusive framework for cooperation on international tax matters.

Contribution of the Tax Justice Network

Through its research, outputs, and advocacy efforts, the Tax Justice Network has raised fundamental concerns and promoted significant changes in the way tax issues are addressed globally, thus contributing to a potential establishment of a UN tax convention.

In its report "Tax us if you can," first published in 2005 and updated in 2012, the Tax Justice Network expressed the need to establish a "World Tax Authority" that represents global interests rather than those of a few specific countries. In this regard, the Tax Justice Network explicitly advocated for the United Nations to assume this role due to its universal membership and all-inclusive character.

However, given that the OECD has held the power of setting the global tax rules over the last 60 years, the Tax Justice Network decided to engage with this institution at that time to increase its influence and promote policy measures for tax justice. In 2013, the OECD launched its BEPS programme, which responded partially to the Tax Justice Network's calls for moves to tackle tax avoidance through the adoption of country-by-country reporting. The OECD's version of this proposal was radically watered down from that originally developed by the Tax Justice Network, however.

Ten years after the implementation of the first BEPS agenda, the efforts of the OECD to redesign the international tax architecture, particularly regarding secrecy levels and illicit financial flows, have been described as inadequate and not consistent enough. The State of Tax Justice report (2022) makes a clear statement on the failure of the OECD to provide an inclusive and effective forum for tax rule setting and to publish aggregate country by country reporting data in a timely manner. In the same tone, the Tax Justice Network published an open letter to the leaders of the G20 group concerning the deficiencies of the OECD to deliver on their mandates.

These failures have led to widespread dissatisfaction among developing countries and have given new urgency to move tax rule-setting to the United Nations. Since 2017, the Tax Justice Network and GATJ jointly committed to make a UN tax convention a top shared priority of their advocacy and campaigning activities.

At the same time, the Financial Secrecy Index developed by the Tax Justice Network has played a crucial role in changing the rhetoric around corruption, emphasising the need to consider illicit financial flows as an impediment to development and the degree to which a jurisdiction's legal and regulatory systems facilitate such flows. Thanks to the ranking provided by the Financial Secrecy Index, it has become evident that the most complicit countries in allowing illicit financial flows are the same ones setting the rules of the international tax architecture. This further justifies the need to establish a new global intergovernmental process to deal effectively with tax matters where all countries are represented equally.

Importantly, the Financial Secrecy Index was used as a reference in the elaboration of the High-Level Panel Report on Illicit Financial Flows from Africa, led by former South African President Thabo Mbeki. The evidence provided by the Tax Justice Network supported the arguments presented in this influential report, which raised awareness about the critical importance of addressing corporate tax abuse and other forms of illicit financial flows.

In that sense, the Tax Justice Network has contributed to the potential establishment of a UN tax convention by promoting policy measures focused on changing the global order that privileges former imperial powers. It has also established a counter-narrative around corruption to challenge the simplistic notion of categorising countries as either tax havens or others, showing that each country has a responsibility in curbing illicit financial flows to some degree.



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