



# **Submission to the Special Rapporteur on extreme poverty and human rights**

**A Roadmap for Eradicating Poverty  
Beyond Growth**

***March 2025***

## Introduction

Over five years on from the start of the COVID-19 pandemic, the world is still embroiled in multiple enmeshed crises. Currently 54 countries worldwide find themselves in debt crisis,<sup>1</sup> it is estimated that 75 percent of the world's population could be living under austerity measures,<sup>2</sup> the world is woefully off track to meet the 2030 deadline for the Sustainable Development Goals,<sup>3</sup> and we are running of time to address the climate crisis and deliver on a just transition.<sup>4</sup>

In this context, people - and the planet - are suffering. However, a transition to a human rights economy that delivers on tax justice could play a central role in getting the world back on track. Fair and transparent tax policies empower governments to mobilise the resources needed to fund essential services, reduce inequality, and protect vulnerable populations. Grounded in the "5Rs" of tax justice—Revenue, Redistribution, Repricing, Representation, and Reparations—tax reform offers a powerful lever to realise human rights.<sup>5</sup>

## Tax as a social superpower

Tax is more than just a tool for raising government revenue—it is our social superpower. It funds the essential public services that form the backbone of fair and thriving societies: healthcare, education, transport, clean water, and social protection. But its power goes far beyond public service delivery. When designed fairly, tax systems can redistribute wealth and opportunity, tackling the deep inequalities that divide our societies and ensuring everyone has a fair chance to prosper.

Tax can also help shift harmful patterns of extraction, consumption and production. Levies on tobacco, fossil fuels, or excessive corporate profits not only generate funds but also discourage damaging behaviours,

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<sup>1</sup> Debt Justice, and Citizens for Financial Justice. "Debt Data Portal." Debt data portal, December 12, 2024. <https://data.debtjustice.org.uk/>.

<sup>2</sup> Ortiz, Isabel, and Matthew Cummings. "End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25," September 28, 2022. [https://www.eurodad.org/end\\_austerity\\_a\\_global\\_report](https://www.eurodad.org/end_austerity_a_global_report).

<sup>3</sup> Sachs, Jeffrey D., Guillaume Lafortune, and Grayson Fuller. "The SDGs and the UN Summit of the Future. Sustainable Development Report 2024." Paris: United Nations Sustainable Development Solutions Network, June 2024. <https://doi.org/10.25546/108572>.

<sup>4</sup> Environment, U. N. "Emissions Gap Report 2024 | UNEP - UN Environment Programme," October 17, 2024. <https://www.unep.org/resources/emissions-gap-report-2024>.

<sup>5</sup> Tax Justice Network. "Beyond20." Tax Justice Network, December 5, 2023. <https://taxjustice.net/wp-content/uploads/2023/05/Tax-Justice-Network-beyond20-Strategic-Framework-May-2023.pdf>.

protecting both people and the planet. In this way, tax becomes a strategic tool for promoting the public good and addressing urgent challenges like climate breakdown and public health crises.

Just as importantly, tax is a cornerstone of democratic accountability. When people contribute through taxation, they are more likely to demand transparency, effective governance, and inclusive political representation. This strengthens the relationship between citizens and the state, curbs corruption, and helps to build more responsive and equitable institutions.

Globally, the way tax rules are made and enforced plays a critical role in shaping who holds power and who benefits. Addressing tax abuse and ensuring multinational companies and wealthy elites pay their fair share is essential to rebalancing that power and enabling all countries—especially those in the Global South—to fund their development on their own terms.

## The ‘5Rs’ of just taxation

The “5Rs” of tax justice and human rights outline what is needed for an effective tax system that allows for and enables the respect, protection, and fulfillment of fundamental human rights:

1. Revenue to fund public services;
2. Redistribution to reverse inequalities;
3. Repricing to disincentivise public harms such as fossil fuel extraction;
4. Political representation to ensure that states are accountable to the public for delivering on their obligations;
5. Reparations to rectify historical inequalities from the legacies of colonialism.

### *Revenue to fund public services*

Tax raises revenue. This revenue can fund high quality public services and effective states. However, generating sufficient tax revenue does not require economic growth. Currently, US\$492 billion is lost to tax havens every year.<sup>6</sup> Effective tax transparency measures, which could be delivered through an inclusive and effective process within the UN Framework Convention on International Tax Cooperation, could deliver on key policies such as automatic exchange of information, beneficial

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<sup>6</sup> Tax Justice Network, 2024, The State of Tax Justice. <https://taxjustice.net/reports/the-state-of-tax-justice-2024/>

ownership transparency, and country by country reporting, for example, in order to ensure that these tax revenues are not lost to a broken system but rather are delivered to governments around the world.

### ***Redistribution to reverse inequalities***

It is not enough to simply raise revenue. The revenue must be generated in a way that is fair and equitable. A progressive tax system can reverse inequalities, but a regressive tax system will further entrench them. In regressive systems, lower income households pay more than their fair share of tax and are also the most affected by the lack of public services. Meanwhile the wealthy and powerful benefit from tax subsidies, take advantage of profit shifting schemes, and hide their wealth in complex and opaque ownership structures in order to pay less in tax and accumulate more in personal assets. Progressive wealth and income taxes can be a powerful tool to redistribute the resources already available and remedy inequalities.

### ***Repricing to adjust for public harms***

Tax can also play an important role in changing behaviours for the public's benefit by repricing social costs to incentivise societal "goods" and disincentivise societal "bads". Examples of this include increased taxes on sugar, tobacco, and alcohol to discourage behaviours that lead to increased health risks. This approach can also be applied to climate measures, by targeting the fossil fuel industry, for example.

### ***Political representation to hold states accountable to the public***

The proportion of tax as part of total government revenue plays an important role in the relationship between citizen and state. When a state is reliant on tax revenue specifically, there is a positive correlation to the strength of democracy and accountability to the population. In this way, tax serves as the glue in the social contract.

### ***Reparations to address historical inequities***

Tax can also address global and historical inequalities from the legacies of colonisation and ecological damage. Reprogramming the global tax system to deliver on globally inclusive tax reform that progressively delivers on key tax justice measures can help countries fund a transition to a human rights economy that serves both people and planet.

## Taxation and economic systems transformation

There are a number of critical policy priorities that must be implemented in order to leverage the power of taxation to reprogramme our financial systems, at both national and global levels, so as to enable alternative development pathways and advance a more just and equitable global economy. At the heart of any system that delivers just taxation is the need to balance the protection of national sovereignty in fiscal matters, on one hand, with the need for effective multilateralism and deep international cooperation, on the other. The nascent negotiations for a UN Framework Convention on International Tax Cooperation represent a historic opportunity to deliver the reforms needed.

Automatic exchange of bank account information is necessary to prevent both corporations and individuals from hiding the true value of their wealth in order to avoid paying their fair share of tax. As things currently stand, over 110 jurisdictions have ostensibly committed to automatic information exchange under the OECD's Common Reporting Standard,<sup>7</sup> but many participating jurisdictions still withhold information from lower-income countries. Meanwhile, lower income countries – those that most urgently need to recover lost revenue – are effectively excluded due to cumbersome reciprocity requirements.<sup>8</sup> (While tax authorities in Benin, for example, might have strong grounds for requesting information on bank accounts held by their wealthiest citizens in, say, Switzerland, it is highly unlikely that Swiss billionaires are hiding their wealth in Benin). As such, there is a pressing need to replace the Common Reporting Standard with an inclusive and fully automatic system.

Another key issue that must be addressed by the convention is full public transparency of beneficial ownership.<sup>9</sup> A beneficial owner is the flesh and blood human being who owns, controls or benefits from a

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<sup>7</sup> OECD, AEOI standard's implementation status by jurisdiction. See: <https://web-archive.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/index.htm>

<sup>8</sup> The South Centre, 2022, Impact of a Minimum Tax Rate under the Pillar Two Solution on Small Island Developing States. See: <https://www.southcentre.int/tag/automatic-exchange-of-information-aeoi/>

<sup>9</sup> Tax Justice Network, What is Beneficial Ownership?. See: <https://taxjustice.net/topics/beneficial-ownership/>

company, trust, foundation, or other legal vehicle. While most countries have company registries, the individuals who are really behind those companies are often concealed by complex ownership chains, thereby shielding them from accountability and making financial malfeasance – including abusive tax practices – relatively straightforward. Sub-optimal requirements for publicly available information included in these registries likewise limit meaningful transparency in many cases. Establishing a global standard for robust public beneficial ownership registers would serve as a critical safeguard against tax abuse and corruption by eliminating the risks associated with anonymous ownership. Complementing this, a global asset register consolidating ownership data on high-value assets would represent a step change in the fight against international corruption and financial misconduct, whilst also revealing the true extent and character of international inequalities.<sup>10</sup> Such an entity could take the form of a networked resource linking up national asset registries around the world.<sup>11</sup>

The negotiations unfolding at the UN must also deliver a revolution in public country by country reporting by multinational companies. Country by country reporting is an accounting practice that obliges multinational corporations to publish how much profit and loss they make in each jurisdiction in which they operate, along with the scale of their economic activity there. In so doing, it uncovers discrepancies between where companies conduct real economic activities and where they declare profits for tax purposes. Existing international standards for country by country reporting, which have been developed under the auspices of the OECD, are weak, requiring limited disclosure and leaving many lower-income nations without access to vital data.<sup>12</sup> A global public reporting standard based on the more comprehensive Global Reporting Initiative would simplify compliance for businesses while also maximising transparency and thereby delivering a major step forward in the fight against corporate tax abuse.

In order to ensure multinational companies pay the right amount of tax in the right places and at the right time, the UN Tax Convention must also bring about a global shift to unitary taxation with formulary apportionment. This means that companies' profits are assessed at the level of the multinational group and then apportioned as tax base between the various countries in which it operates in line with its actual

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<sup>10</sup> Independent Commission for the Reform of International Corporate Taxation, 2023, It Is Time for a Global Asset Register to tackle Hidden Wealth. See: <https://www.icrict.com/wp-content/uploads/2023/10/ICRICTGARreportEN.pdf>

<sup>11</sup> Ibidem.

<sup>12</sup> Tax Justice Network, 2024, Litany of failure: the OECD's stewardship of international taxation. <https://taxjustice.net/reports/litany-of-failure-the-oecd-s-stewardship-of-international-taxation/>

economic presence and activity. As things currently stand, multinational companies continue to exploit the 'arm's length principle' - which considers each entity within the multinational group as wholly separate and independent - to shift their profits from the jurisdictions of actual economic activity and into tax havens.<sup>13</sup> Proposals brought forward to address this issue by the OECD fell far short of what would be needed to make a meaningful impact on the abusive tax practices of multinational companies.<sup>14</sup>

Although the UN convention process is, unequivocally, the most significant and potentially transformative initiative to address the issues described above, there have also been notable efforts to strengthen cooperation on just taxation at regional level. The creation in 2023 of the Platform for Taxation in Latin America and the Caribbean established a forum for governments of the region to collaboratively shape fiscal policies in accordance with their own unique circumstances.<sup>15</sup> In turn, this strengthens principles of fiscal justice and equity at both regional and global levels. While the work of the Platform remains nascent, a declaration adopted at its inaugural meeting committed the signatory governments to "incorporate human rights and environmental obligations as general principles to guide and inform tax decision-making" and determined to prioritise progress in delivering more progressive tax systems, taxation of the digital economy and the delivery of tax measures to address the climate crisis and protect the environment.<sup>16</sup> On the other side of the Atlantic, meanwhile, the African Union and the United Nations Economic Commission for Africa, have collaborated closely to advance beneficial ownership transparency in the region.<sup>17</sup>

At national level, several governments in both the Global North and Global South have implemented tax policies that align with human

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<sup>13</sup> Tax Justice Network, 2024, The State of Tax Justice. <https://taxjustice.net/reports/the-state-of-tax-justice-2024/>

<sup>14</sup> Tax Justice Network, Litany of failure: the OECD's stewardship of international taxation. <https://taxjustice.net/reports/litany-of-failure-the-oecds-stewardship-of-international-taxation/>

<sup>15</sup> For more on this, see: Comisión Económica para América Latina y el Caribe, 2023, Regional Platform for Tax Cooperation.

<https://www.cepal.org/en/projects/regional-platform-tax-cooperation>

<sup>16</sup> Comisión Económica para América Latina y el Caribe, 2023, Regional Platform for Tax Cooperation. <https://www.cepal.org/en/projects/regional-platform-tax-cooperation>

<sup>17</sup> Tax Justice Network, 2023, Beneficial Ownership Transparency in Africa in 2022. <https://taxjustice.net/wp-content/uploads/2023/03/State-of-Play-in-Africa.pdf>.

rights standards.<sup>18</sup> Last year Australia implemented world-leading legislation requiring all major multinationals operating in the country to publish country by country reporting data on the scale of their activities, including profits declared and tax paid, in a list of jurisdictions deemed as high risk.<sup>19</sup> The policy is expected to yield billions in additional revenues by curbing the profit shifting of these companies.

Meaningful advances in delivering beneficial ownership transparency have also been achieved in some countries, but progress remains patchy and nowhere is it delivering the full potential of public beneficial ownership transparency. In 2016 the UK became the first country to establish a public register of beneficial ownership, though this is limited to those who own 25 percent of shares or voting rights. Other European countries, including France, Denmark and Estonia have followed the example, though some restrictions remain in all cases.<sup>20</sup> It should also be noted that opaque forces have sought to roll back these advances through nefarious lawsuits aiming to protect so-called privacy rights, despite the fact the arguments deployed have been thoroughly discredited.<sup>21</sup>

Closely linked to the issue of beneficial ownership transparency is the pressing need for wealth taxes. In an epoch defined by soaring inequalities which threaten the full spectrum of human rights, Spain's recent adoption of a wealth tax on the richest 0.5 percent of society offers a compelling example to be emulated. By following the same modest approach, which only affects a tiny proportion of the wealth held by an equally tiny proportion of the richest households, countries around the world could raise over US \$2 trillion annually.<sup>22</sup> Already,

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<sup>18</sup> Statement of HE Muhammadou M.O.Kah at the side event on addressing the debt crisis through aligning economies with human rights', United Nations Officer of the High Commissioner for Human Rights, 2023.

[https://www.hrw.org/sites/default/files/media\\_2023/10/Statement%20for%20Side%20Event\\_The%20Gambia.pdf](https://www.hrw.org/sites/default/files/media_2023/10/Statement%20for%20Side%20Event_The%20Gambia.pdf)

<sup>19</sup> Tax Justice Network, 28 November 2024, Tax Justice Network hails world-leading Australian legislation on corporate tax transparency. <https://taxjustice.net/press/tax-justice-network-hails-world-leading-australian-legislation-on-corporate-tax-transparency/>

<sup>20</sup> Tax Justice Network, 2022, The state of play of beneficial ownership registration in 2022 <https://taxjustice.net/reports/the-state-of-play-of-beneficial-ownership-registration-in-2022/>

<sup>21</sup> Tax Justice Network, 2024, Privacy-Washing & Beneficial Ownership Transparency. <https://taxjustice.net/reports/privacy-washing-beneficial-ownership-transparency/>

<sup>22</sup> Tax Justice Network, 2024, Taxing extreme wealth: what countries around the world could gain from progressive wealth taxes. <https://taxjustice.net/reports/taxing-extreme-wealth-what-countries-around-the-world-could-gain-from-progressive-wealth-taxes/>



some countries such as Argentina, Bangladesh and Uruguay have adopted more ambitious wealth taxes.

Of course, such measures are not the only options available to national governments seeking to deploy the transformative power of progressive taxation in order to achieve more just outcomes. Through its National Social Protection Policy 2015-2025, Gambia sought to create fiscal space for the provision of social protection, and it has actively advocated for countries to align economic policies with human rights and to resist austerity measures that could undermine the same. Colombia, meanwhile, has demonstrated a strong commitment to feminist fiscal justice and social protection. In 2019, its Constitutional Court ruled that taxing menstrual products constituted indirect discrimination against women and was therefore unconstitutional.<sup>23</sup> More recently, in 2024, the government approved a pension reform aimed at eliminating extreme poverty and expanding social protection for older adults.<sup>24</sup> Under this reform, women receive a deduction of 50 weeks of pension contributions for each child, up to a maximum of three. The government plans to fund these reforms through increased revenue from recent and ongoing fiscal policies, including higher marginal income tax rates for the wealthy, increased taxation on capital gains, higher corporate taxes on extractive industries and fossil fuels, and a higher minimum corporate tax rate.

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<sup>23</sup> The Constitutional Court ruling can be found here: <http://english.corteconstitucional.gov.co/Decision.php?IdPublicacion=239>

<sup>24</sup> Government of Colombia, «Con la Reforma Pensional sacaremos de la pobreza extrema a 2,5 millones de colombianos», ministro del Interior, Luis Fernando Velasco. <https://www.mininterior.gov.co/noticias/con-la-reforma-pensional-sacaremos-de-la-pobreza-extrema-a-25-millones-de-colombianos-ministro-del-interior-luis-fernando-velasco/>

## Conclusion

If current trends continue, the world will lose almost \$5 trillion to crossborder tax abuse over the next 10 years.<sup>25</sup> At the heart of the alarming \$492 billion annual loss lies a core component of the 'growth imperative'— economic paradigms that prioritise the perpetual pursuit of ever-increasing profits for the benefit of a select few. And although it is the countries of the Global North that lose most in absolute terms, the debt-shackled nations of the Global South suffer by far the most severe impacts; the \$47 billion they are denied each year equates to 49 percent of their public health budgets.<sup>26</sup>

The negotiations for a Framework Convention on International Tax Cooperation represent a once-in-a-lifetime opportunity to stem this torrent of lost revenue and rein in the unfettered power of multinational companies and mega-wealthy individuals. For the Convention to fulfil its potential as a catalyst for global justice it will have to deliver a revolution in international financial transparency, with robust provisions for the development of automatic exchange of information, beneficial ownership transparency, country by country reporting, and global implementation of unitary taxation with formulary apportionment.

Achievement of a progressive, just and human rights-aligned Framework Convention would provide an enabling international environment for alternative development pathways. It would, *inter alia*, facilitate the design and implementation of wealth taxes capable of redressing the runaway inequalities - both within and between countries - that are driving pervasive human rights shortfalls and environmental degradation.<sup>27</sup> Closely linked to such redistributive measures, meaningful measures to halt and reverse the economic extraction of the Global South represent a critical form of reparations for harms caused by decades of crossborder tax abuse that has impeded poorer nations' efforts at economic development. Similarly, the repricing function of taxation policies at both national and international levels is critical to tackling the climate and biodiversity crises.<sup>28</sup> Repricing taxes should be designed to simultaneously disincentivise the pursuit of extreme wealth


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<sup>25</sup> Tax Justice Network, 2023, The State of Tax Justice. <https://taxjustice.net/reports/the-state-of-tax-justice-2023/>

<sup>26</sup> Tax Justice Network, 2023, The State of Tax Justice. <https://taxjustice.net/reports/the-state-of-tax-justice-2023/>

<sup>27</sup> Tax Justice Network, 2025, Taxing extreme wealth: what countries around the world could gain from progressive wealth taxes. <https://taxjustice.net/reports/taxing-extreme-wealth-what-countries-around-the-world-could-gain-from-progressive-wealth-taxes/>

<sup>28</sup> For more on this, see Tax Justice Networks' research collection on climate-related taxation. <https://taxjustice.net/collections/climate-justice/>



and foster a shift in societal values away from dysfunctional consumerism and commodification whilst also advancing equality and collective wellbeing.<sup>29</sup> Through taxation policies governments program both their own national economies and the international economy. And for this reason, radical reform of both national taxation and international tax cooperation is a crucial precondition to reprogramming economies and steering them towards alternative, more equitable and sustainable development pathways.

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<sup>29</sup> See for example, Hubert Buch-Hansen & Max Koch, 2019. Degrowth through wealth and income caps.  
<https://www.sciencedirect.com/science/article/abs/pii/S0921800918314836> See also: Emmanuel Saez and Thomas Piketty, Why the 1% should pay tax at 80%, The Guardian, 24 October 2013.  
<https://www.theguardian.com/commentisfree/2013/oct/24/1percent-pay-tax-rate-80percent>