

# TAX JUSTICE NOW,

## TOWARDS ENDING INEQUALITIES & BUILDING PEOPLE'S RECOVERY & RESILIENCE!

The multiple crises brought to the fore by the pandemic have widened inequalities which had already been present and worsening before the COVID-19 outbreak. Any serious attempt at ensuring peoples' recovery and addressing inequalities would require bold and decisive actions that strike at the root causes of inequalities and multiple crises.

Longstanding inequalities cannot be addressed without giving immediate attention to the ability of countries, especially those of the Global South, to raise revenues and deploy the resources needed for robust public support systems for health, for education, for dignified livelihoods, and other basic needs. This is not simply a matter of responding to public demands for basic services, but a fundamental question of how peoples' recovery is understood. It is not about simply stabilizing economies and societies just enough to return to the status quo ante, to old policies and patterns that had been part of the root causes of inequalities and the drivers of multiple crises. Rather, it is about placing people's rights and needs front and center, and ensuring the inclusion and empowerment of the marginalized, of those who have been left most vulnerable to the worst effects of the multiple crises.

What is needed is to decisively address the various dimensions and root causes of inequality and build genuine and transformative peoples' recovery and resilience. This requires building the essential foundations for states to ensure that people's basic needs are met especially when natural or man-made disasters strike, and for people, including the most vulnerable, to be better able to prepare for, survive, respond to, recover from crises, and take charge of their lives and future.

To move towards this direction, the neoliberal tax and fiscal policies which have provided a key foundation for the dramatic rise in inequalities around the world must be rejected. Regressive taxation such as Value-Added Taxes (VAT) and/or Goods and Services Taxes (GST) cannot play a part in a peoples' recovery, as it impacts the working class and women the worst and severely undermines their resilience. Tax exemptions and cuts for the wealthy and for large corporations both local and international must be repealed by governments. Tax abuses by corporations and the elite and other types of illicit financial flows that drain public coffers of resources for peoples' needs must be stopped. Progressive policies that fairly and sharply tax the income and wealth of corporations and the elite – like wealth tax – and must be adopted to accelerate domestic resource mobilization for peoples' recovery and economic rebuilding.

**THE PEOPLES' RECOVERY IS ABOUT PLACING PEOPLE'S RIGHTS AND NEEDS FRONT AND CENTER, AND ENSURING THE INCLUSION AND EMPOWERMENT OF THE MARGINALIZED**

Economies around the world must be restructured and reoriented away from servicing the profit-driven agendas of MNCs and wealthy elites and towards serving people's basic needs and rights and ensuring that development's social and economic benefits are distributed equitably. Women's contribution to economic and social life must be fully recognized and justly rewarded. A Peoples' Recovery must seek to socialize and redistribute the often-unrecognized reproductive labor of women. The care and wellbeing of society should not be borne in private by any single gender, but by all of society.



There can be no such restructuring of economies without the reversal of long-standing austerity policies which have emptied funds for the basic public services of Global South countries. These policies have been forced into being often in order to service onerous debts which find their roots in Global North countries' exploitation of their former colonies. Tax abuses by corporations and the elite and other illicit financial flows (IFFs) must be stopped. The fundamental flaws in the international tax architecture and in global tax rulemaking that disadvantage developing countries and impact negatively on the peoples of the Global South must be fixed. Elite and gender biases embedded in national fiscal and tax systems, as well as in the global tax system, must be corrected. Ensuring peoples' recovery and building resilience require thoroughgoing policy, institutional and structural reforms that favor the interests of ordinary people and the planet, not the wealthy. We need fiscal and tax systems that contribute to ending inequalities and building people's resilience. We need an inclusive and transformative peoples' recovery!

**THIS SEPTEMBER 23, 2022, WE HOLD THE ASIAN DAY OF ACTION FOR TAX JUSTICE TO AMPLIFY PEOPLES' DEMANDS FROM COUNTRIES ACROSS ASIA AND THE GLOBAL SOUTH FOR URGENT TAX JUSTICE TOWARDS ENDING INEQUALITIES AND BUILDING GENUINE PEOPLES' RECOVERY AND RESILIENCE IN THE FACE OF MULTIPLE CRISES.**

## **WE DEMAND AN END TO UNJUST TAX BURDENS ON WOMEN AND MARGINALIZED SECTORS**

We demand an end to unjust tax burdens on women and marginalized sectors. It is time for governments in Asia and the Global South to shift the burden of taxation from the poor to the rich. This would entail the enactment of progressive taxes such as wealth taxes as well as effective measures to stop corporate tax abuses and other types of illicit financial flows that rob governments of much-needed revenue for public services. Large corporations, especially multinational corporations, must pay their fair share to the countries and peoples whose natural resources, knowledge and labor (paid and unpaid) are exploited for their profit and wealth accumulation.

Increased revenue from progressive taxation must be allocated towards financing quality and gender-responsive public services, including those that aim to reduce and redistribute unpaid care work. Taxing the wealthy and ensuring that corporations pay their fair share without stringent governmental support for public needs means that only the most superficial of inequalities will be addressed.



Finally, we fully recognize the international dimensions of tax and fiscal justice. Reforms at the national level are not enough. We call for an end to inequalities in global tax rules and rulemaking that continue to favor wealthy countries, corporations, and individuals. Such inequalities remain blatantly evident even in reform proposals, such as that of the OECD/G20's so-called "Inclusive" Framework on Base Erosion and Profit-Shifting (BEPS) project, which promotes corporations' and elite countries' agenda and which does not serve the interest of developing countries and peoples of the Global South. In handing the right to tax the "excess and non-routine" profits of multinational corporations to their countries of registry and not to those where the bulk of their extraction, employment, and sales occur, and by setting a paltry 15% global minimum corporate tax rate closer to the norm in tax havens than the global average, the BEPS project has amounted to nothing more than a Tax Deal of the Rich.

No exclusive club of the world's richest economies can advance a serious agenda of international tax reform given the fact that it is they who benefit the most from the status quo. We eagerly join the growing ranks of Global South governments and civil society all over the world in their call for a UN Tax Convention that addresses the unjust tax and debt relations between developing countries and the developed. It is the right of all countries, especially those of the Global South, to advance their interests through inclusive and transparent channels. Such a convention must give way to a truly inclusive, democratic, transparent and accountable inter-governmental mechanism for tax governance, or a UN Tax Body, where all countries stand on equal footing.

**AT THIS CRUCIAL JUNCTION IN THE ECONOMIC, SOCIAL, AND POLITICAL LIFE OF OUR WORLD, HEEDING THE CALL FOR SYSTEMIC CHANGES IN OUR GLOBAL TAX AND FINANCIAL SYSTEMS AND ECONOMIES IS NEEDED MORE THAN EVER**

At this crucial junction in the economic, social, and political life of our world, heeding the call for systemic changes in our global tax and financial systems and economies is needed more than ever. To advance a Peoples' Recovery is not only just, but practical. Pervasive elite biases within these systems have left billions of women and other marginalized gender identity groups (LGBTQI+), workers, youth and students, and others vulnerable to the ravages of the COVID-19 pandemic, while large corporations and wealthy individuals have consistently made record-high profits, especially over the past two years. These starkly political inequalities have played no small part in the unfolding tragedies of Global South countries like Sri Lanka and Pakistan, with many more in danger of following suit if changes are not made now.

**MAKE TAXES WORK FOR PEOPLE AND PLANET!**



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