

# Set up a new UN entity to support tax justice



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● Our tax and financial systems are our most powerful tools for creating a just society, nationally and internationally: a fairer, greener, and more inclusive world. But under pressure from corporate giants and the super-rich, our governments have programmed these systems to prioritise the wealthiest over everybody else, wiring financial secrecy and tax havens into the core of our global economy. This fuels inequality, fosters corruption, and undermines democracy.

It is widely acknowledged that the current global tax governance architecture is flawed, outdated, and not fit for purpose, and that there is an urgent need for a fundamental overhaul. It was established over 100 years ago as part of the League of Nations, when many independent countries today did not even exist. The global economy has drastically changed, and globalisation has reached another level with the digitalisation of the economy.

Redistributive and progressive tax and fiscal policies can counteract growing inequalities and raise the public funding needed to invest in public services that are essential to fulfil human rights and advance sustainable development. By working together across borders and organisational affiliations, we can build a strong social movement to generate the political will to reform the outdated and broken global tax and financial architecture.

Together we can push for transformative changes at the national level and globally to make tax work for economic justice and social progress. We need to build a world where progressive and redistributive tax policies counteract inequalities within and between countries, and generate the public funding needed to ensure essential services and human rights.

According to the Tax Justice Network’s recent State of Tax Justice 2023 report, countries are on course to lose nearly \$5 trillion over the next 10 years in tax to multinational corporations and wealthy individuals using tax havens to underpay tax.<sup>16</sup> These future losses of public money would be equivalent to losing a year of worldwide spending on public health.

The historic unanimous vote in favor of a resolution tabled by the Africa Group on the “Promotion of inclusive and effective tax cooperation at the United Nations,” in November 2022, has created a unique opportunity to set off such a systemic transformation.<sup>17</sup>

This December, countries will vote on whether to begin negotiations on a UN tax convention at the UN General Assembly. This convention is necessary to establish an intergovernmental body with the mandate of setting standards on promoting international tax cooperation. Currently, work on this issue has been led mostly by the G20, the OECD, and campaigning organisations. While much progress has been made, these organisations lack the global mandate to reach comprehensive resolutions. They are clubs formed by the most powerful nations—others are not at the table.

To make progress in tax justice, a new, truly global body, with a mandate to represent all countries and regions, should be created within the umbrella of the United Nations.

High-income countries lose the greatest sums of revenue to cross-border tax abuse. But many of their heavily lobbied governments have historically blocked progress at the UN, even at the expense of their own people. It is critical that these governments now face public scrutiny and challenge ahead of the UN discussions, so that those responsible for tax abuse are not able to prevent an effective global response. ■