



G20 SOUTH AFRICA 2025

Raising Up the G20's Ambition and Leadership on Tax Justice: An Intersectional Analysis

2025

Dr Maria Ron Balseira, Executive Director, Center for Economic and Social Rights (UK)
Dr María Emilia Mamberti, Research Lead, Center for Economic and Social Rights (Argentina)
Martha Hungwe, Program Manager, Center for Economic and Social Rights (South Africa)
Dr Nathalie Begin, Co-director, Instituto de Estudos Socioeconomicos, INESC (Brazil)



03

Financing for
Sustainable
Development

Abstract

International tax cooperation is essential for the full realisation of human rights, especially economic and social rights. Given that progress on sustainable development goals, the right to development, and the fight against inequalities that are often intersectional in nature (in particular racial and gender inequality) are at risk while states lose billions to tax abuse, states need to connect their efforts to mobilise resources with their unfulfilled obligations to human rights. In turn, there are basic human rights standards relevant for taxation, including the duties to cooperate internationally and to mobilise the maximum available resources, and the principles of equality and non-discrimination, transparency, participation and accountability.

G20 countries have a unique opportunity to leverage their collective influence in the economic arena to facilitate resource mobilisation. The ongoing process to negotiate a United Nations Framework Convention on international tax cooperation provides states with a once in a lifetime chance to increase the resources available to discharge their human rights' commitments, achieve sustainable development and finance climate action (for instance, by pursuing a fairer allocation of taxing rights and effectively combating transnational tax abuse).

As a matter of fact, and in line with previous T20 recommendations, in their latest leaders' declaration, G20 countries have committed to "continue constructive discussion at the United Nations on the development of a Framework Convention on International Tax Cooperation and its protocols". The terms of reference of said convention, approved right after the G20's leaders' declaration, further indicate that efforts to achieve the objectives of the convention should be aligned with states' obligations under international human rights law.

In this context, the brief will discuss what aligning tax cooperation with human rights means and explain why G20 members' commitment to the convention process is crucial. Expanding on previous T20 recommendations, it will propose G20 members to keep engaging and cooperating in good faith towards the negotiations of the Framework Convention on Tax Cooperation and its protocols; and align tax cooperation with their human rights' and racial and gender equality obligations.

Keywords: Tax Cooperation, Framework Convention on Tax Cooperation, UNTC,

Diagnosis

The UN Framework Convention on International Tax Cooperation (UNTC or the Convention) is a recently proposed normative instrument being currently negotiated to enhance effectiveness and inclusiveness in tax cooperation. It comes after decades-long demands to overhaul the international taxation architecture, a system that in its current form fails to promote effective tax cooperation or prevent tax abuse within and between countries.

The process of negotiating the UNTC provides a unique opportunity for states, particularly the Global South, to increase the resources available to fulfil their human rights' obligations, achieve sustainable development and finance climate action (for instance, by pursuing a fairer allocation of taxing rights and effectively combating transnational tax abuse). As a result, this international process is closely connected to the national and local realities of the population in an urgent need for more and better public goods and services. Indeed, the UN Secretary General has recognised the need for a “holistic approach” to tax cooperation that moves beyond traditional trade and investment considerations to encompass issues of development, climate and inequality.¹

G20 members have expressed similar concerns in their latest leaders' declaration, in which they pledged to “...continue constructive discussion at the United Nations on the development of a Framework Convention on International Tax Cooperation and its protocols” and recognised that “Progressive taxation is one of the key tools to reduce domestic inequalities (...) and facilitate the achievement of the SDGs”.²

¹ See, eg, A/78/235, para. 5.

² Available at <https://g20.org/wp-content/uploads/2024/11/G20-Rio-de-Janeiro-Leaders-Declaration-EN.pdf>

Importantly, the terms of reference (ToRs) of the Convention³ state that efforts to achieve its objectives should "...be aligned, in the pursuit of international tax cooperation, with states' obligations under international human rights law". This principle connects and supplements references in the ToRs to sustainable development,⁴ as many of the goals and objectives of the sustainable development agenda overlap with those of international human rights law.⁵

The inclusion of human rights as general principles in the Convention is crucial, particularly for Global South countries, to advance interpretations that lead to fairer terms that do not restrict their ability to mobilise enough resources to fulfil social and economic rights (for example, arguing for a fair distribution of taxing rights or for curbing tax competition that hampers their capacity to discharge social rights). Human rights principles can also facilitate reading within the guiding principles of the convention some issues on which the ToRs are currently silent, such as extraterritorial obligations, tax progressivity, or gender justice.⁶

Aligning tax cooperation with rights' obligations is essential, since human rights mechanisms have for years explained the connection between human rights and taxation, but tax norms have only sparsely recognised the link.⁷ Tax policies are "a major determinant in the enjoyment of human rights",⁸ especially economic and social rights.

³ See A/79/333.

⁴ For example, they include references to the need for the convention to adopt a "sustainable development perspective", or the goal of establishing a tax system "for sustainable development".

⁵ See Latindadd & RJFALC, working paper, "La convención marco de las naciones unidas sobre cooperación tributaria internacional y los derechos humanos. Una mirada desde América Latina"

⁶ As developed, for example, under the UN Convention on the Elimination of All Forms of Discrimination against Women.

⁷ As many negotiators noted during the sessions of the Committee, they had never seen a reference to human rights in a tax treaty.

⁸ UN Special Rapporteur on Extreme Poverty, A/HRC/26/28.

Rights matter for taxes and for tax cooperation too.⁹ Indeed, there are a set of core human rights principles that have been increasingly interpreted as relevant for taxation, mostly by UN human rights mechanisms. For example, through international treaties to which virtually all states are a party, they have a duty to “take steps, individually and through international assistance and cooperation (...) to the maximum of its available resources” to achieve the full realisation of economic and social rights. This has been interpreted as a duty to mobilise resources and expand states’ fiscal space in accordance with social rights’ needs, for example, through combating tax evasion, avoidance¹⁰ and illicit financial flows, or carefully designing and reviewing tax benefits.¹¹ States have been required under human rights’ oversight procedures to assess and evaluate the extent to which they are mobilising resources.¹² In the context of tax cooperation, this would require, for example, conducting timely estimates of the revenue potential of suggested measures in connection with human rights’ financing needs; and committing to effectively tackle tax abuse.

States are also obliged to observe the principles of equality and non-discrimination. Presently, the global and national tax system can be discriminatory, exacerbating inequality. Global tax systems allow for loss of revenue from states that could be used for gender-transformative outcomes and societal wellbeing that will address the marginalisation of racial and ethnic

⁹ See OHCHR’s submission at https://financing.desa.un.org/sites/default/files/2024-03/UN%20Office%20of%20the%20High%20Commissioner%20for%20Human%20Rights%20%28OHCHR%29_Input_AHC%20Tax.pdf

¹⁰ CESCR, E/C.12/HND/CO/2; E/C.12/KEN/20/2-5, para 18.

¹¹ CESCR, E/C.12/ARG/CO/4.

¹² See, eg, CESCR, E/C.12/ARM/CO/2-3, para 9; E/C.12/ALB/CO/2-3.

groups.¹³ Regressive tax policies such as consumption taxes, impact women and racial and ethnic groups¹⁴ disproportionately who earn less.¹⁵ The legacies of colonialism and neocolonial practices further widen wealth disparities. Similarly, men are likely to benefit from tax due to income disparities and wealth accumulation allowing for tax deduction and credits tied to income from retirement and investment incentive asset ownership.¹⁶

These economic inequalities translate into low income and thus heavy dependency on state public services for both women¹⁷ and racial and ethnic minority groups¹⁸ due to inability to access alternative services from the private sector. Another dynamic is that more women are hired in the public services sector.¹⁹ This means that the plight of non-white women is compounded when austerity measures are implemented leading to wage cuts, lay-offs and leaner public service provision due to inadequate domestic resource mobilisation.

¹³ For example, A study in the UK showed that racial and ethnic minority groups are 2.5 times more likely to be in poverty than white people. Women's Budget Group, Unknown. "Written evidence from the Women's Budget Group," Available online at, committees.parliament.uk/writtenevidence/126523/pdf/, Accessed 01 April 2025

¹⁴ See, available at <https://scielo.org.za/pdf/sqjems/v27n1/49.pdf> Accessed 02 April 2025

¹⁵ See UN Special Procedures letter at: <https://spcommreports.ohchr.org/TMResultsBase/DownloadPublicCommunicationFile?gld=28676>; see also Decolonising economics, "Tax as a Tool for Racial Justice", at <https://decolonisingeconomics.org/2022/09/09/tax-as-a-tool-for-racial-justice-report/>

¹⁶ See, <https://www.thecommonwealth-ilibrary.org/index.php/comsec/catalog/download/271/268/2075?inline=1> Accessed 02 April 2025

¹⁷ MacDonald, E. M., 2018. "The gendered impact of austerity:Cuts are widening the gap between women and men," British Politics and Policy, London School of Economics, Available online at <https://blogs.lse.ac.uk/politicsandpolicy/gendered-impacts-of-austerity-cuts/> Accessed 01 April 2025

¹⁸ It is acknowledged that in South Africa the racial/ethnicity groups as a proportion of the total population in South Africa, the inverse is true. In South Africa, the black majority (inclusive of African-known globally as black-, Coloured and Indian groups) historically faced discrimination in the form of deliberate limited access to economic, social and privileges, that left them impoverished by the colonial government that practiced segregation known as Apartheid.

¹⁹ Vyas-Doorgapersad, S., 2020. "Assessing Gender Equality in the South African Public Service," International Journal of Social Sciences and Humanity Studies, Vol. 12, No. 2, 2020 ISSN: 1309-8063 Available online at https://sobiad.org/eJOURNALS/journal_IJSS/archieves/IJSS-2020-2_ek/s-Doorgapersad.pdf , Accessed 01 April 2025

In this scenario, human rights mechanisms have recommended states to pursue tax policies which are progressive and socially equitable.²⁰ In the context of tax cooperation, this could require producing data sufficiently disaggregated to assess the impact of tax measures on different groups, to ensure that they work to reduce inequalities within and between countries. These principles also stress the importance of bringing inequality issues (including gender and racial inequalities) to the tax cooperation agenda, in line with recent G20 efforts.²¹

Under core human rights' treaties, states also have a duty of international cooperation to realise rights, including the right to development. The duty of international cooperation takes on particular significance in addressing cross-border tax abuse, as it requires proactive global collaboration to achieve rights-based development. Similarly, under international human rights' law, states have extraterritorial obligations (this is, obligations for the human rights impact of their decisions beyond their borders). They should therefore refrain from actions that undermine other states' capacities to effectively mobilise resources for rights' fulfilment (by facilitating, for example, tax abuse), or conducting human rights impact assessments of such actions.²²

Human rights standards also include procedural guarantees of participation, transparency and accountability. Transparency has been interpreted to guide states' production and publication of information on their tax policies (for example, noting the need for sufficiently disaggregated data, or the publication of information in accessible formats). The right to participation and self-

²⁰ E/C.12/GBR/CO/6; E/C.12/GTM/CO/3; E/C.12/SLV/CO/3-5; E/C.12/PRY/CO/4; E/C.12/BDI/CO/1; E/C.12/DOM/CO/4; E/C.12/DOM/CO/4.

²¹ See, e.g., G20 Rio de Janeiro Leaders' Declaration, available at <https://www.consilium.europa.eu/en/press/press-releases/2024/11/19/g20-rio-de-janeiro-leaders-declaration/>. For proposals on how the G20 could promote gender and racial justice in connection to tax, see <https://www.cesr.org/cesr-and-allies-call-for-the-g20-to-implement-rights-based-tax-reforms-for-race-and-gender-justice/>

²² On the issue, see generally CESR at https://www.cesr.org/sites/default/files/downloads/switzerland_cedaw_submission_2nov2016.pdf

determination also stresses the need for inclusiveness in international tax cooperation, and highlights that all groups affected by fiscal decisions, especially historically disadvantaged groups, must have a meaningful say in decisions that impact them.

Importantly, the UN Committee on Economic, Social and Cultural Rights has recently issued a statement dedicated to this issue,²³ concluding that “Aligning tax cooperation with the obligations under the Covenant can contribute to the effective mobilisation of resources and redistribution of wealth, thereby addressing high levels of inequalities and facilitating substantial investments in the institutions, public services and programmes essential for the realisation of economic, social and cultural rights for all”.

Recommendations

We recommend the G20, either in its Ministerials' or leaders' declarations, to:

1. Commit to keep engaging and cooperating in good faith towards the negotiations of the Framework Convention on Tax Cooperation and its protocols. This would mean, among other things:
 - That G20 members, especially those better placed to do so, should assist and support – including financially – the processes, particularly to ensure least developed countries can engage meaningfully.
 - That G20 members strive to include robust, meaningful content as part of the Framework Convention as part of their core commitments.

²³ See <https://www.ohchr.org/en/press-releases/2025/02/fair-and-effective-tax-policies-needed-advance-economic-social-and-cultural>

2. Commit to align tax cooperation within the UN Tax Convention, with their human rights, race and ethnicity equality, and gender equality obligations.

This would entail, *inter alia*:

- Explicitly including inequality considerations (for example, by referencing and applying the Convention of all Forms of Discrimination Against Women and the International Convention on the Elimination of All Forms of Racial Discrimination) within the Tax Convention; and using tax policy to reduce inequalities, through an intersectional approach.
- Assessing the extraterritorial human rights' (in particular racial, ethnic and gender) impact of their tax cooperation decisions;
- Effectively combating tax abuse to increase resources available for racial, ethnic and gender rights' fulfilment;
- Ensuring sufficiency of the resources mobilised for rights' fulfilment (for example, when negotiating minimum tax rates, or reviewing tax benefits);
- Ensuring participation, particularly of marginalised groups and those most affected by unfair tax systems, in all phases of the policy cycle.

3. Commit to, at the domestic level and in order to promote gender and race- and ethnic- group-responsive taxation:

- Adopt progressive tax policies to finance gender equality, restorative justice and racial and ethnicity equality, and the provision of gender-responsive, decent public services.
- Apply a gender lens across the budget cycle, ensuring that fiscal policies actively reduce gender disparities.
- Ensure women and race and ethnic group participation in fiscal policy making, particularly from indigenous, black, migrant, and rural women.
- Abolish harmful tax incentives that benefit the wealthy at the expense of social services.

T20 South Africa Convenors



The Institute for Global Dialogue (IGD)



The South African Institute of International Affairs (SAIIA)



The Institute for Pan-African Thought and Conversation (IPATC)

© T20 South Africa and the original authors

This publication is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (CC BY-NC-ND 4.0).



This license enables reusers to copy and distribute the material in any medium or format in unadapted form only, for noncommercial purposes only, and only so long as attribution is given to the creator.

To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc-nd/4.0/>

For publication enquiries, please contact t20@t20southafrica.org

Website: www.t20southafrica.org