

# Strengthening Social Protection through Tax Justice



# Outline



1. Tax systems are essential for social protection.
2. National tax justice determines social protection impacts.
3. Tax justice requires international cooperation and regulation.
4. Well fundamented proposals for change require broad support.

# Tax Systems essential for Social Protection

## Revenue

Tax revenue is crucial for financing social protection and public goods

## Redistribution

Tax-benefit systems enable redistribution across the society

## Repricing

Tax systems can modify market prices in ways that benefit social protection

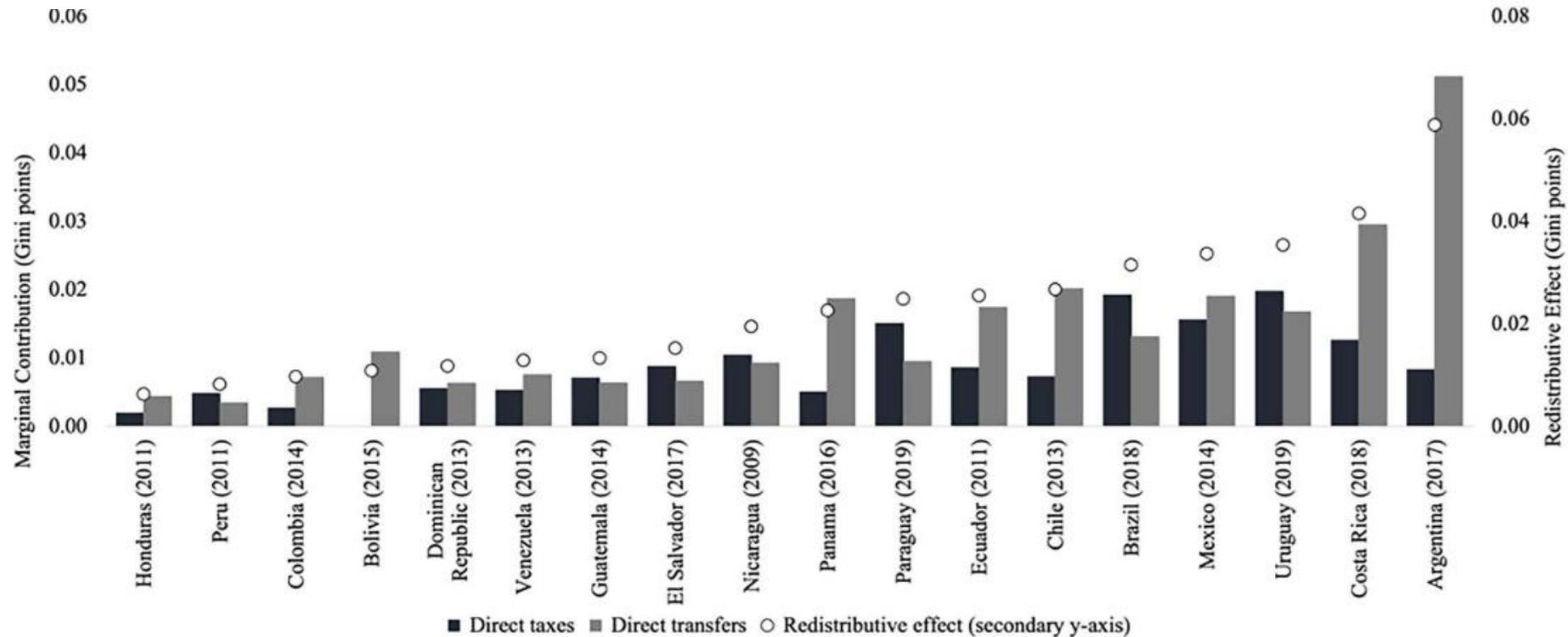
## Representation

Tax systems can strengthen good governance and social investment

Source: adapted from Hujo/McCoy/Nelson

# National Tax Justice determines SP Impacts

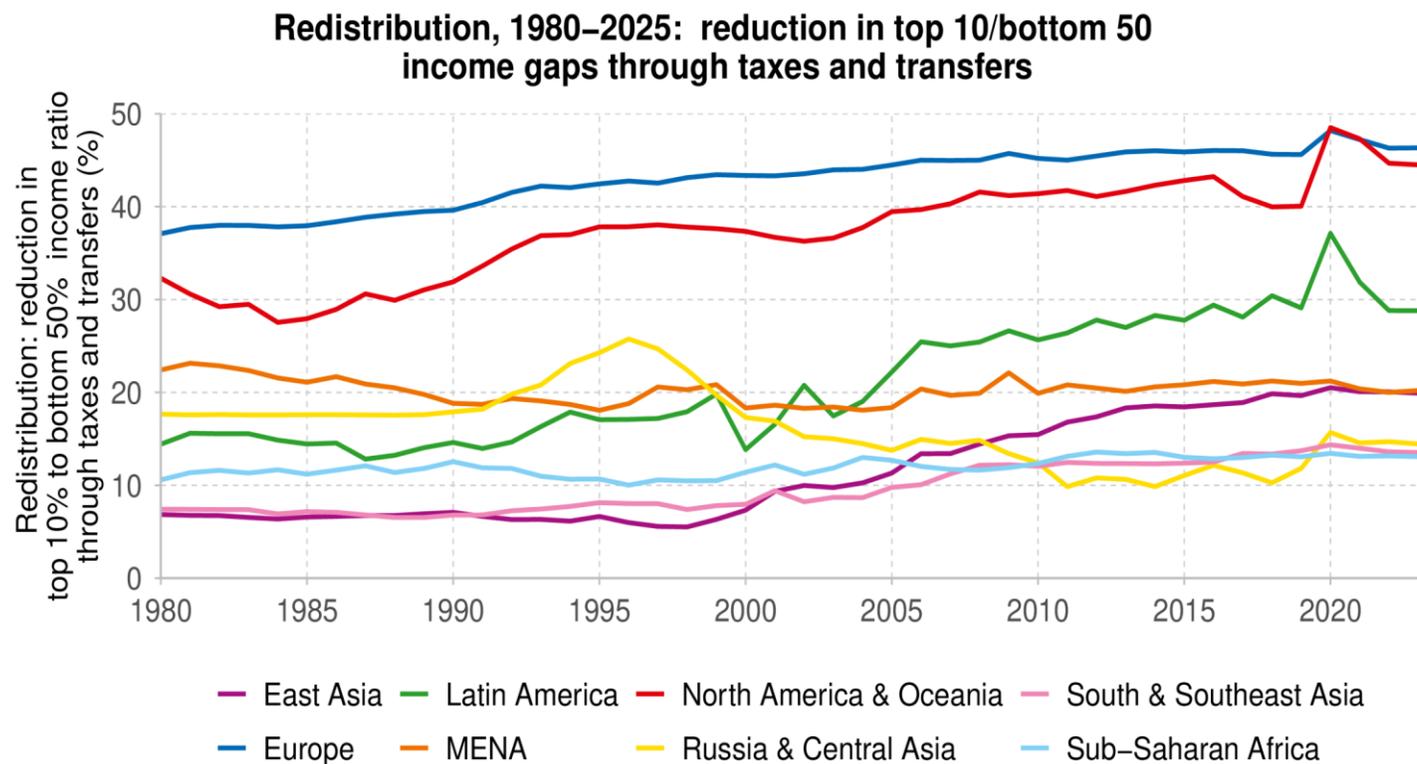
Redistributive impact of specific taxes and transfers



Source: Lustig et al. 2025

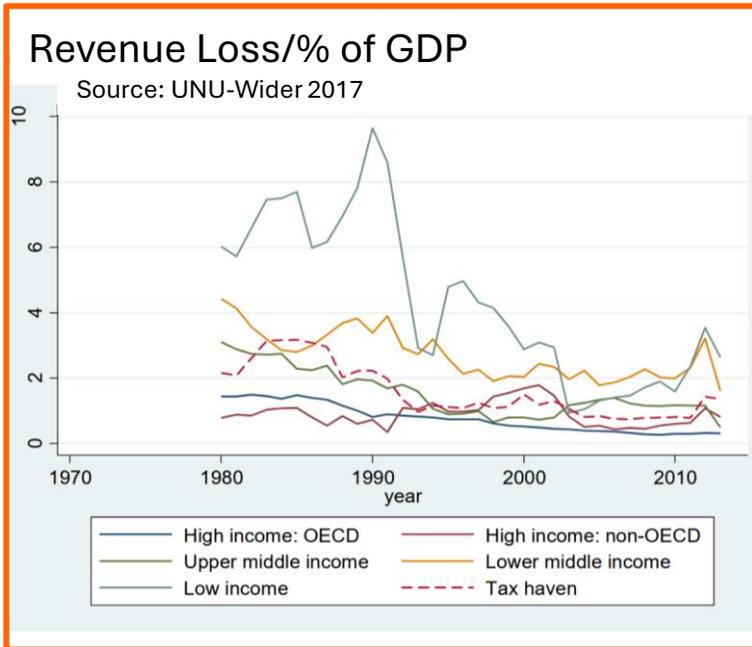
# National Tax Justice determines SP Impacts

## Heterogeneity of redistributive impact of tax-transfer systems (by regions)



Source: World Inequality Report 2026

# Tax Justice requires International Regulation



## Revenue loss

Combined global revenue loss for 2024 is estimated at US\$492 billion.

- US\$347 billion due to corporate tax abuse
- \$145 billion due to offshoring of wealth in tax havens by individuals.

Poorer countries disproportionately burdened by loss of revenue.

Source: TJN: The State of Tax Justice Report 2024

## Absence of tax sovereignty

Lack of ability and willingness to implement progressive tax-benefit systems (e.g. to tax MNCs and HNI)

- by “race to the bottom” tax competition
- by global rules that favour profit shifting
- By global players providing tax havens and harmful secrecy
- by domestic tax policies shaped by those who benefit most from the status quo (inequality and democracy!)

# Proposals require broad support

1.

## ***Fairly designed international corporate tax rules***

- Fair allocation of taxing rights according to economic activity (including employment)
- could generate an additional US\$500 billion annually, of which US\$200 billion would go to Global South.

2.

## ***Wealth tax for billionaires***

- Global wealth tax for billionaires could generate an additional US\$200-250 billion



3.

## ***Exchange of information and joint control of financial flows***

Jointly combat tax avoidance, money laundry and other illicit financial flows

- Automatic Exchange of information
- Beneficial Ownership Register
- Country by country reporting

# Thank you for your attention

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