



Of citizens and taxes: A global scan of civil society work on taxation

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EXECUTIVE SUMMARY

In the last two decades, civil society engagement with taxation issues has grown by leaps and bounds, particularly in lower-income countries. This growth can be linked to global policy shifts since the beginning of the millennium—e.g. the UN’s agendas on Financing for Development and on the Sustainable Development Goals—focused on empowering these countries to raise additional resources to finance and direct their own development, and to an increasing focus by international NGOs on the negative impact of the international tax system on lower-income countries.

Given the global provenance of its policy origins, this new wave of civil society work has tended to focus on international aspects of taxation. In particular, it started looking at the global impact of practices such as the use of low tax jurisdictions—i.e. tax havens—by wealthy individuals and corporations to shift profits or funds and/or to hide the true ownership of assets, allowing them to avoid large tax bills, depriving lower-income countries of precious revenues. However, this strong international focus of civil society tax work has not been matched by similar efforts at the domestic level, leading to a semi-mature yet lopsided field.

As the [International Budget Partnership](#) (IBP) embarks on a new [Tax Equity Initiative](#), this was a good moment to take a detailed look at the emerging field of civil society engagement with domestic tax issues, to understand its broad features and the challenges that it faces. This mapping exercise consisted of three phases. The first consisted of a broad global search for civil society organizations (CSOs) working on domestic taxation and yielded a [dataset](#) listing and describing the work of 171 organizations across 66 countries, in all regions of the world. In the second phase, we designed an online survey to target a subset (52) of these to get more detailed information on their tax work such as the origins and motivations of their involvement, the specific issues (domestic/international) they work on, the main constraints they face, and their ability to access government information on tax. Thirty-eight organizations responded to this survey. The third phase involved in-depth interviews with 19 of the 38 respondents. These interviews probed more deeply into the groups' theory of change, their constraints, and the future of their work.

Although our specific interest is on civil society work on domestic taxation, we found that most of the 171 organizations covered in our global scan work on both international and domestic tax issues. As expected, given the way tax work has arisen globally, the most common areas of international tax work relate to illicit financial flows (64 organizations), base erosion and profit shifting (52 organizations), and the taxation of extractive industries (46 organizations). With regards to domestic taxation, CSOs seem to be pursuing broad objectives around equity and progressivity of domestic tax systems, rather than work on specific types of taxes. Additionally, a focus remains on the domestic repercussions of international taxation—e.g. the harmful practices of multinational corporations. Among the CSOs in our scan, the top three areas of work on domestic taxation involve:

tax expenditures/fiscal incentives (99 organizations), corporate taxes (85 organizations), and taxes on extractives (72 organizations).

In terms of the kinds of activities undertaken by CSOs, research is by far the most prevalent (118 organizations), underscoring the importance of technical capacity and the ability to produce credible analysis on tax policy. Advocacy around transparency and accountability within the tax system (99 organizations) and creating pathways for participation and engagement in tax policymaking (95 organizations) are two further areas where civil society work concentrates.

From our online survey results and our in-depth interviews, we were able to identify key approaches to the tax work, as well as the most critical constraints faced by CSOs in this work. Civil society organizations see tax work as crucial for:

- a) Understanding and mapping how domestic resource mobilization (DRM) efforts can be used to fund development,
- b) Promoting policy changes and reforms that lead to a more progressive, equitable, and efficient revenue system,
- c) Fostering the social/fiscal contract between state and citizen through meaningful transparency accountability and engagement, and
- d) Exploring and exposing the interlinkages between the international financial architecture and domestic tax systems, and how they influence each other.

In doing this work, CSOs face some major constraints. First and foremost is funding—not only are there relatively few funders in this space but also relatively modest levels of funding, most of which are channeled through international NGOs rather than directly to domestic NGOs in developing countries. Capacity—including technical, analytical capacity and staffing—follows funding as a significant obstacle. There are very few people globally with the technical and analytical skills to work on tax and they are equally scarce in lower-income countries—and prone to getting poached by international NGOs or by donor agencies. An unfavorable enabling environment or ecosystem can also be a constraint on CSOs. Key elements of the environment include: the political context, available and amenable partners *within* government, and capable civil society partners. More often, CSOs are working with two of these three elements, at best. Lastly, a key challenge is the lack of a compelling narrative around the need for a more equitable, progressive tax system that can counterbalance the ‘free-market, small government’ narrative that elevates the right to individual wealth and the importance of entrepreneurship in society.

Given the timing of the survey and interview phases of this work – March 2020 to July 2020 – questions about the future of this work were inevitably colored by the COVID-19 pandemic. The pandemic is still re-working the context of the tax work by creating both pressure and opportunity for civil society organizations in this field. For example, governments have passed many tax relief packages to help ease the economic impact of the virus, but at the same time this has provided CSOs the opportunity to propose stronger transparency and accountability measures to track tax relief more broadly. Similarly, the pressure on government to raise revenue has opened policy space to suggest wealth taxes as a politically viable solution.

Although the pandemic is ushering in a growing policy consensus, civil society work on domestic taxation remains fragmented, piece-meal, and necessarily country-specific. The lack of a clear, shared policy agenda—unlike what exists in the international tax work—has been further constrained by inadequate funding, capacity, enabling environments, information, and narratives. To ensure that the growth in this field can be leveraged into a stronger long-term basis for civil society engagement in domestic tax policies and reforms, these constraints must be more forcefully addressed.

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1. BACKGROUND

Throughout the history of civilization, taxation has been a cornerstone of state building, and a fundamental but controversial link in the relationship between states and citizens. From Ancient Greece to the French Revolution, to the Occupy Wall Street movement, philosophers, politicians, activists and regular citizens have engaged in debates—and sometimes violent protests—around who pays taxes and what they should get in return. Despite such long and often troubled history, citizens and civic actors have seldom been active participants in tax policy, tax reform and tax administration. Rather, these arenas have more often been the guarded domain of a few privileged actors, mostly within the state.

That civil society groups engage in debates around taxation is a relatively new phenomenon, but one that has been growing significantly over the past two decades. Previously, civil society tax work was mostly limited to a few think tanks in North America and Europe who have been involved in and disseminating tax policy research for a much longer period, including organizations such as the Brookings Institution and the Tax Foundation in the US, and the Institute for Fiscal Studies and the Adam Smith Institute in the UK. However, since the turn of the millennium, not only has civil society work on taxation issues spread to many more countries, it has also gradually moved beyond policy research to more programmatic, advocacy-driven work with citizen awareness and movement building becoming key goals.

This enhanced civil society involvement is linked to a number of developments in the global context. As part of the discussions on the implementation of the Millennium Development Goals (MDGs), the United Nations organized the first conference on Financing for Development in Monterrey, Mexico in 2002. The resulting declaration (the Monterrey Consensus) explicitly recognized the need to mobilize domestic resources in pursuit of the MDGs, putting the issue of taxation on the international policy agenda.¹ At around the same time, a number of international NGOs, including Christian Aid, Oxfam and Action Aid, and international organizations such as the OECD, started looking into negative impacts of the current international tax system.² Tax havens, illicit financial flows and aggressive tax avoidance by multinational corporations have become topics of research and campaigns, and prompted debate over how they affect the ability of lower-income countries to reap benefits—and additional revenues—from foreign investment, especially in the extractive sector.

Many of these issues have come to be recognized under the broad label of “tax justice,” which gave name to the Tax Justice Network (TJN), a research and campaigning organization which was created in 2003 by a group of tax and policy experts, and has since grown into an important international actor in the field.³ TJN also helped set up

¹ See the declaration [here](#).

² See, for example, the 2000 Oxfam report on [Tax Havens](#), and the 1998 OECD publication on [Harmful Tax Competition](#).

³ See <https://www.taxjustice.net/5828-2/>.

regional networks such as Tax Justice Network Africa, the *Red de Justicia Fiscal de América Latina y el Caribe*, and Tax and Fiscal Justice Asia, which bring together and provide support to country-level groups. This has contributed to an environment in which civil society organizations across many countries have been able to enter into, receive support for, and build capacity around issues of taxation, and have started to engage in international and domestic debates around tax policy, tax reform and tax administration.

Unsurprising, given its origins, this new era of civil society tax work has tended to focus on international aspects of taxation. In particular, it began looking at the global impact of practices such as the use of low tax jurisdictions—i.e. tax havens and shell companies – that either shift profits or funds and/or to hide the true ownership of assets, allowing wealthy individuals and corporations to avoid large tax bills. Two of the topics that have received the most attention come under the labels of “illicit financial flows” (or IFFs)—including money laundering, trade mis-invoicing and syphoning off the proceeds of corruption—and “base erosion and profit shifting” (or BEPS), which relates to how multinational corporations exploit gaps and mismatches between different countries’ tax systems to avoid taxation. Both impact lower-income countries disproportionately, depriving them of much-needed resources. The key policy goals of this work have been to expose and mitigate these practices and are often summarized as the “ABC” of tax transparency, a term coined by the Tax Justice Network: automatic exchange of information, beneficial ownership registers, and country-by-country reporting (see Box 1).⁴

BOX 1. THE ABC OF TAX TRANSPARENCY

A: Automatic exchange of information. This refers to making the exchange of financial information between jurisdictions ‘automatic’ rather than upon request (involving a cumbersome process to request and obtain this information). In practice, this means that every year Country A will be able to provide authorities in other countries with a list of residents that hold bank accounts (and related tax information) in Country A. This increases tax compliance and makes it easier to track payments and transactions across borders.

B: Beneficial ownership registers. The establishment of public registers that list the ultimate beneficial owners of companies, trusts, and other legal vehicles that own assets is another tool that is critical for combatting tax evasion. Often, the true (as in ‘flesh and blood’ humans) owners of these entities are obscured and/or inaccessible to not only the public but also to financial authorities. Knowing who owns what (and consequently, how much) is a way of finding out which assets have not been declared to the authorities in the home country of asset owners and allows for regular taxation to take place.

⁴ See <https://www.taxjustice.net/wp-content/uploads/2018/07/TJN-Impact-Summary-Final.pdf>.

C: Country-by-country Reporting. Given that multinational corporations are able to shift their profits to low-tax jurisdictions, it is often difficult to tell the magnitude of economic activity (and the consequent loss of taxable income) in the jurisdictions where the multinational corporations are actually operating. Country-by-country reporting requires multinational companies to annually publish their volume of economic activity, profits, and taxes paid in every location they operate and thereby reveals (to the public and to financial authorities) any misalignment between where their profits are made and where their taxes are paid. This also can create pressure to question the arrangements (i.e. tax rulings, tax holidays, double taxation agreements) that allow for such misalignments.

Work on such international aspects of taxation has led to strong international coalitions (often led by organizations from high-income countries) and regional advocacy initiatives aimed at changing the ways countries engage in the global financial system—from developing countries demanding more voice in the BEPS 2.0 process led by the OECD, to the European Union leading the way on automatic exchange of information between jurisdictions and on country-by-country reporting. Over the last decade these concerted efforts have reaped some impressive gains: the inclusion of lower-income countries (LICs) in the BEPS 2.0 process, a general recognition by the OECD that current rules are outdated and unfair to LICs, the publication of beneficial ownership registers by some countries and, more broadly, a global shift in opinion that the use of transfer pricing and low tax jurisdictions by multinationals is ‘bad’ rather than clever tax behavior.

The strong international focus of civil society tax work has not been matched by similar efforts at the domestic level, leading to a semi-mature yet lopsided field. International NGOs in higher-income countries focus most of their resources and capacity on international aspects of tax policy, setting an agenda followed by many organizations in lower-income countries (LICs), despite the existence of strong regional and international networks and coalitions in their midst. Where organizations in LICs do have more of a domestic tax focus, it is often related to domestic aspects of an international tax issue, as with the reduction of corporate income tax rates or the granting of fiscal incentives to multinationals in the context of the international ‘race to the bottom’. Tax reform efforts and campaigns focusing purely on domestic aspects of taxation, with a few notable exceptions, remain somewhat underdeveloped and understudied.⁵

⁵ Exceptions include several organizations whose work we describe later in the paper. They include (but are not limited to): SEATINI in Uganda, the Centre for Budget Governance and Accountability in India, and the Institute for Socioeconomic Studies (INESC) in Brazil.

2. OBJECTIVE

As IBP embarks on a new Tax Equity Initiative (see Box 2), we felt this was a good moment to take a detailed look at the emerging field of civil society engagement on issues of domestic taxation around the world, to understand its broad features and the challenges that it faces. To this end, we did a global stock take of the work that civil society organizations (CSOs) are doing on tax issues, in general, and on domestic tax policy issues, more specifically—but with a particular focus on LICs. This is particularly important given the increasing interest and commitment to enhancing domestic resource mobilization (DRM) in the UN’s 2030 Agenda and in the context of the Sustainable Development Goals (SDGs), which is driving an increase in donor resources to this field. Moreover, the need to understand and debate more openly governments’ fiscal options has become even more pressing since the onset of the COVID-19 pandemic, as many of the organizations we spoke with on this project made clear.

BOX 2. IBP'S TAX EQUITY INITIATIVE

IBP works to promote citizen engagement with budget policies and processes to make them more equitable and inclusive. While our work has historically focused on the expenditure side of the budget, it is increasingly clear that we need to bring issues of taxation and revenue collection more squarely into our work. As a result, we have launched a Tax Equity Initiative to ensure citizens and civil society have the tools needed to effectively engage in tax reform.

We believe that enhancing civil society’s capacities and skills to engage on tax issues can pave the way for a reduction in inequality and the promotion of just societies where everyone has opportunities to flourish.

The Initiative will initially focus on three main areas of work:

1. Create and share a better knowledge base to build the field and inform further strategy development. The products of this area include the CSO scan presented in this paper; a literature review on the politics of tax reform and a companion piece on reflection points for civil society actors, and a set of case studies on successful civil society engagement in domestic tax reforms in various countries (to be published in December 2020).⁶
2. Foster tax transparency and participation by working with the Global Initiative for Fiscal Transparency (GIFT) to develop new international principles around tax transparency and citizen participation in tax policy decisions.

⁶ The literature review is available [here](#), and the companion piece [here](#).

3. Support CSO engagement with domestic tax reform in LMICs through training, technical assistance, peer learning and more. This will include continuing our work on the LATERAL project on tax expenditures in Latin America, launching a new program to support CSOs in engaging with domestic tax reform efforts in Africa and developing training modules on taxation for civil society groups.

Source: <https://www.internationalbudget.org/issues-lab/tax-equity-initiative/>

One of the key reasons for taking on this exercise was the lack of previous efforts to thoroughly review the state of the field of CSO tax work. Individual international NGOs like Oxfam and Action Aid have published comprehensive reviews of their support to local civil society groups working on tax across various countries, or more detailed case studies of specific projects⁷. Comprehensive global lists of organizations that work on tax issues exist—for example on the websites of the [Global Alliance for Tax Justice](#) and of the [Tax Justice Network](#)—but without any details or analysis of the work done by individual organizations.

Two recent publications come closer to what we had originally envisioned as the purpose of our scan. Last year, Save the Children published a report entitled "[Taxation with Representation: Citizens as Drivers of Accountable Tax Policies](#)" that brought together evidence on how CSOs across developing countries have contributed to more equitable tax policies, and argued for more citizen engagement in domestic resource mobilization efforts. The report summarizes case studies of civil society engagement with tax reforms at both the subnational and national level, highlighting the main challenges that citizen groups face, from lack of transparency and access to information to the complex nature of tax policy and administration. However, it does not analyze in detail the characteristics, motivations and limitations of the groups, themselves.

Again in 2019, the Overseas Development Institute, in collaboration with the Transparency and Accountability Initiative, published "[Civil society engagement in tax reforms](#)", a report on the role of civil society in domestic tax reforms in eight countries, intended mostly for a donor audience. The report identifies some of the key roles that CSOs play in tax debates—*analysis* of tax policies, *advocacy* on tax policy proposals and *awareness* of tax rights and obligations—and highlights some of the key technical and non-technical capacity constraints that affect the effectiveness of CSOs in influencing tax policies. Through interviews with several groups, the report managed to flesh out some interesting issues regarding the work of CSOs and the challenges that they face in engaging with tax reforms. Its scope, however, was quite limited in terms of country coverage, and its focus skewed towards generating recommendations for donors and how they can better support CSO tax work.

⁷ See, for example, Oxfam's [Fiscal Justice Global Track Record](#), or Action Aid's [Tax Justice](#) resources

As far as we can ascertain, this paper is the first attempt at providing a detailed and in-depth overview of the field of civil society work on domestic taxation issues across the world. It is not meant as an assessment of how effective such work has been, but as a reflection on where the field is at this time, where it has come from, and its prospects for the future.⁸ While this exercise will inform IBP's own future work in this area, we also hope it will provide a useful snapshot of the CSO tax field and can be a resource for a number of actors, including other civil society groups at both the national and international level, governments, donor agencies and other practitioners.

3. APPROACH AND METHODOLOGY

As we conceptualized the scan, it was clear to us that we wanted to capture both breadth and depth of civil society engagement on tax. We therefore structured our work in three stages.

PHASE 1 (*November 2019 to February 2020*): a broad global search for CSOs working on domestic taxation issues.

Initially, we relied on the large network of civil society partners that IBP collaborates with on budget issues through its various programs and initiatives. Through the [Open Budget Survey](#), for example, IBP has partners in 120 countries, although clearly only a subset of these also work on tax. A few years ago, IBP's Training, Technical Assistance and Networking (TTAN) team surveyed some of our partners to ask about their work on tax. And, we contacted colleagues and networks, including at Oxfam, Action Aid, Christian Aid, the Global Alliance for Tax Justice, and other international NGOs to learn which groups they knew and worked with who were active on domestic taxation issues.

These searches initially generated about 180 entries in our purpose-built database.⁹ We reviewed the websites of each of these organizations to look for actual evidence of recent work on domestic taxation (reports, briefs, campaigns, blogs, dedicated staff, etc.), and ultimately, our final sample was reduced to 171 organizations across 66 countries. From the websites (including reading available reports and strategy documents), we also tried to gather information to provide a sense of what each organization did, assessing what types of work they are engaged in, how they approach their work (i.e. their theory of change), what types of tax issues they work on (both

⁸ In a separate project, IBP is looking at eight cases of successful CSO engagement in tax reforms across a variety of countries to investigate how they managed to have an impact on tax policy and administration. Summaries of the case studies and a synthesis paper will be published later in 2020. For further details, visit IBP's [Tax Equity Initiative](#) page.

⁹ Access to the full database is available here: <https://www.internationalbudget.org/dataset-for-global-scan-of-civil-society-work-on-taxation/>

domestic and international), if they are part of any international networks, and their main publications on tax from recent years.¹⁰

Clearly, this approach has some limitations. Due to time and resource constraints, we aimed at being comprehensive but not exhaustive, trying to capture breadth and diversity rather than ensure we identified every single group working on tax globally. For example, we focused our search mostly on lower-income countries, and therefore have more limited coverage of groups in OECD countries, although we did include a number that we were familiar with, or that others indicated as relevant. We may have also failed to include several organizations, either because they do not belong to any international networks, or because their tax work does not feature clearly on their website. And to keep our work manageable, we also decided not to include certain types of groups, such as trade unions and faith coalitions, despite the fact that they often engage in relevant domestic debates.¹¹ Finally, the way in which each organization was classified in our database was partially based on the subjective judgement of the researcher looking at each website. Overall, however, we think we have pulled together quite a comprehensive and accurate general overview of civil society groups working on domestic tax issues across the world.

PHASE 2 (*mid-March 2020 to mid-April 2020*): design, dissemination and collection of an online survey to get more detailed information on CSOs tax work. We decided to solicit information on the origins and motivations of the CSO's tax work, how it fits with other work the organization does, specific domestic and international tax issues the group has been working on, the primary constraints to their work, and their evaluation of the government efforts to make tax information public. From the general database, we selected a group of organizations through a combination of prior knowledge of the organization's work—including from the broad scan—and recommendations from various partners. We sent out invitations for 52 groups to fill in the online survey (in English, Spanish and French) and received 38 responses back.¹²

PHASE 3 (*June 2020*): In-depth interviews of 60 – 90 minutes with 19 civil society groups, selected based on their overall profile in tax work, and building on their responses to the online survey. The interview probed deeper into

¹⁰ See Annex 1 for an overview of the categories used for classifying CSOs.

¹¹ See, for example, Public Services International (PSI)'s [work on tax](#). PSI is the global federation of public service workers' unions. We also did not comprehensively look for and include think tanks and civil society groups that promote a more conservative, pro-business agenda of smaller government and lower taxes. There are quite a few examples of this in higher income countries and fewer in lower income countries, but this might be changing, as discussed in [this report](#) published by the Carnegie Center.

¹² The full list of respondents is provided in Annex 3. In most cases, responses were quite detailed and comprehensive. Some of the quantitative questions on tax transparency, and access to tax information were difficult to interpret and of dubious comparability, which led us—unfortunately—to mostly ignore them in this paper.

a set of key issues, trying to better understand their approach, their activities and the constraints that they face in their tax work.

These various and complementary methods allowed us to gather a large amount of data, which we present in the following sections.

4. OVERVIEW OF FINDINGS FROM THE BROAD SCAN

As indicated, our broad scan produced a record of 171 civil society organizations working on domestic tax issues across 66 countries and 7 regions: sub-Saharan Africa (74 organizations); Asia (30 organizations); Latin America and the Caribbean (30 organizations); Europe (16 organizations); Middle East and North Africa (13 organizations); North America (6 organizations); and Oceania (including Australia, 2 organizations).

The relatively large number of African CSOs included is a result of two factors. First, international support for tax work, both from official donors and international NGOs, has had a strong focus on the African continent, generating opportunities for African CSOs to engage with tax issues. Second, we purposely put more effort into mapping the field in Africa, given IBP's own interests and priorities.

By contrast, in Asia, we found relatively little tax work by CSOs. This may be related to the limited civic space that many governments in Central, South-East and East Asia afford to CSO action, and may happen despite the vibrant civil society ecosystem in other related sectors such as human rights advocacy, especially in South Asia.

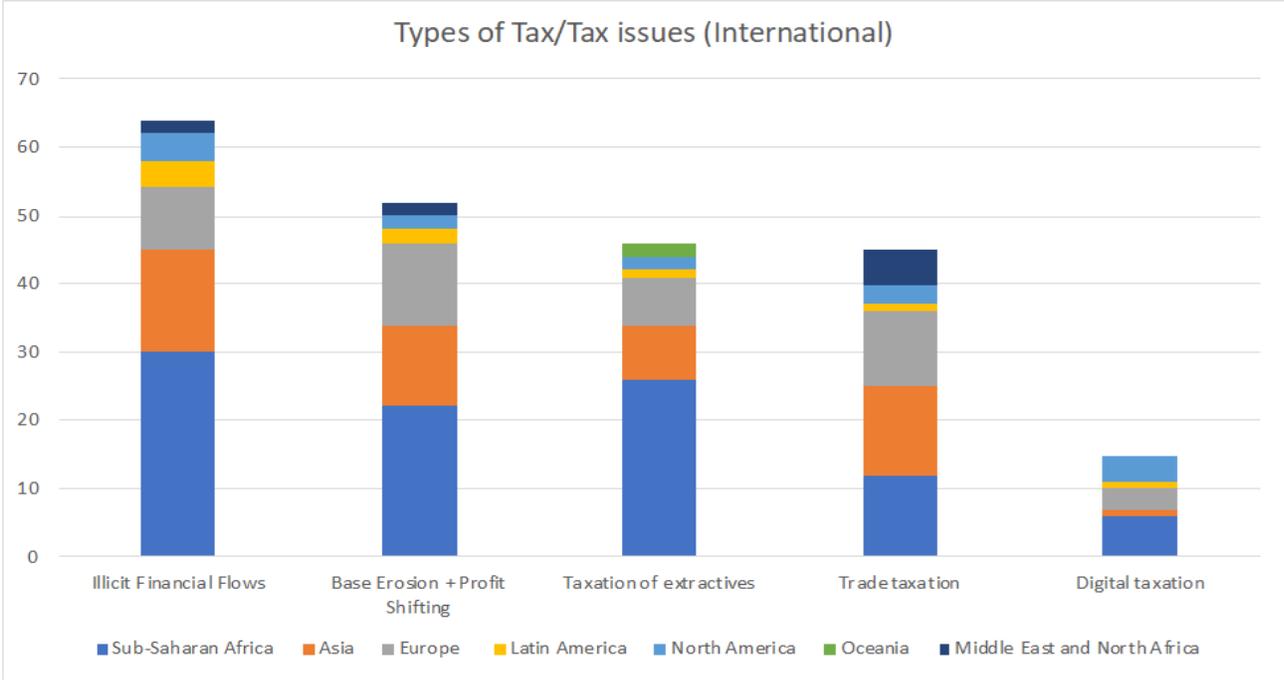
Generally, we were surprised by the large number of CSOs engaged in tax work across the board. Our scan reveals a wide and burgeoning constellation of organizations taking up the mantle of this work. In the remainder of this section, we look at what types of taxes or tax issues these groups work on, and what kinds of work they do.

4.1 WHICH TYPES OF TAXES OR TAX ISSUES DO CSOS WORK ON?

Although our scan mostly focused on CSOs' work on domestic taxation issues, we found that most worked on both international and domestic aspects of tax policy—with the exception of Latin America, where the majority of organizations had more of a domestic focus. In line with the global tax justice movement, we found the most common areas of international work target illicit financial flows (IFFs), base erosion and profit shifting (BEPS) and

the taxation of extractive industries, as illustrated in Figure 1. While true globally, this is especially the case in sub-Saharan Africa where the importance of the extractive sector leads into IFFs and BEPS work. Trade, particularly the issue of double taxation treaties and agreements, has also been a key focus for civil society organizations.

FIGURE 1. NUMBER OF CSOS WORKING ON DIFFERENT INTERNATIONAL TAX ISSUES, BY REGION



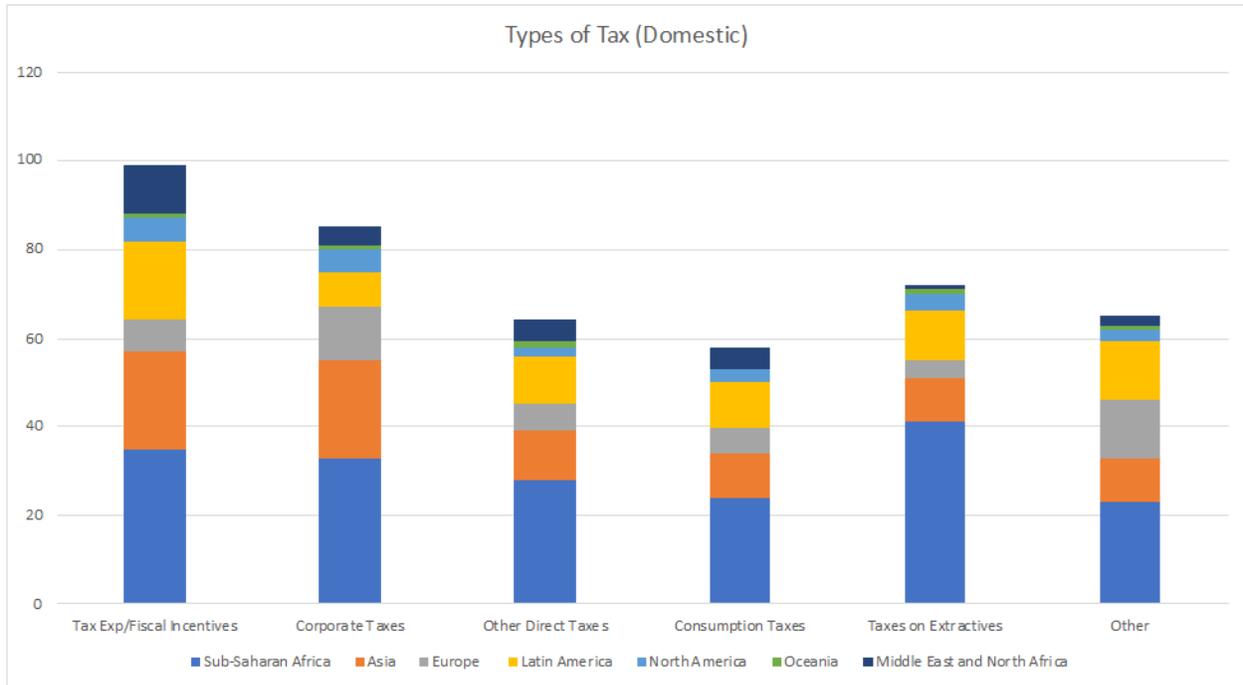
Source: Authors

Note: The majority of organizations included in the scan work on multiple issues. The source table can be found in Annex 2.

While there were no big surprises about the international tax issues that CSOs worked on, the landscape for domestic tax work proved to be far more varied. This could be due to the fact that as far as domestic taxation is concerned, the degree of consensus on policy priorities is much less clear than on international taxation. On domestic taxes, many CSOs seem to be pursuing broad objectives around equity and progressivity of domestic tax systems, rather than consistently focusing on specific types of taxes. Only about a third of the 171 organizations we looked at focus their work on specific types of direct and indirect taxes (Figure 2). On the other hand, some common areas of activity are still related to the domestic repercussions of international aspects of taxation, with an emphasis on corporate taxation and on royalties and other types of revenues from the extractive sector.

Trade, particularly the issue of double taxation treaties and agreements has also been a key focus for civil society organizations.

FIGURE 2. NUMBER OF CSOS WORKING ON DIFFERENT TYPES OF DOMESTIC TAXES, BY REGION



Source: Authors

Note: The majority of organizations included in the scan work on multiple issues. The source table can be found in Annex 2.

Trade, particularly the issue of double taxation treaties and agreements has also been a key focus for civil society organizations.

What proved quite remarkable was the large number of CSOs interested in and working on tax expenditures and fiscal incentives across the scan: more than half of the organizations we looked at named this as an area of work, the most numerous of all. It is by far the main area of concern in Latin America (see Box 3) and in the Middle East, but it also attracts a lot of attention in most other regions. Again, this could be partly linked to the fiscal incentives provided by governments to promote foreign direct investment as part of the global “race to the bottom” in corporate taxation, which has been the focus of increasing attention by international NGOs, and has spurred an increase in country-level research and campaigns.¹³

¹³ See, for example, the 2019 Oxfam report in collaboration with ECLAC on [fiscal incentives for business in Latin America](#), or the recent global study on the [Use and Abuse of Tax Breaks](#) promoted by a number of organizations and coalitions.

This broad concentration of work was also borne out in our online survey results (sample size: 38) with the top categories in descending order as follows: tax expenditures (31 organizations), other direct taxes (30), consumption taxes (27), corporate taxes (26), revenue administration (25), and subnational taxes (18).¹⁴

BOX 3. CSO WORK ON TAX EXPENDITURES IN LATIN AMERICA

Since 2016, the International Budget Partnership has been working with civil society organizations from ten different countries in Latin America to promote research, advocacy and learning around tax expenditures and their impact on inequality through the [LATERAL project](#). Findings from a [round of country-level research](#) painted a discouraging picture of how governments manage tax expenditures across the region: public information is often inadequate; decision-making processes are opaque, closed and prone to abuse and corruption; and impact, in the few instances where it is measured, is often limited or negative. Tax expenditures, in other words, often generate benefits for a few powerful companies and individuals, while the cost falls on the rest of society, as revenues available to fund public services are reduced.

More recently, the LATERAL collective assessed the [levels of transparency in tax expenditure reports](#) across the region, pointing out gaps in public information on tax expenditures, from a clear statement of policy objectives to the names of beneficiaries, to results of reviews and evaluations. It also issued a [joint statement](#) calling on Latin American governments to include a thorough review of tax expenditures in their fiscal responses to the COVID-19 pandemic, so that those that are unjustified, ineffective and inequitable can be eliminated.

Among the more successful initiatives promoted by LATERAL partners, the [campaign against tax amnesties in Mexico](#) by Fundar, deserves particular mention. Over about a decade, Fundar battled to get the government to publish the names of those benefitting from tax amnesties, illustrating that they were mostly wealthy individuals and companies who did not deserve or need such fiscal privileges, and should not be depriving the government of much needed revenues. The public outcry following the revelations led to a constitutional amendment preventing the government from using this instrument in the future.

The final category called “other” highlights the fact that CSO work on domestic taxation not always fits neatly within predetermined tax types. In some cases, their efforts cover more general research and advocacy on the tax system as a whole, while in others it relates to work done using a thematic lens such as gender rights, disability rights, land rights, etc. As we later found out through our interviews, for some organizations interest in taxation is

¹⁴ The latter two categories only appear in our online survey.

linked to a thematic area of work rather than a decision to work on certain types of tax. This can also help explain why organizations work across a variety of domestic tax types. In sub-Saharan Africa, for example, the concentration of “Other” work was mostly related to gender and taxation, particularly for organizations that were connected to international networks and NGOs such as ActionAid and Oxfam.¹⁵

4.2 WHAT TYPES OF WORK DO CSOS DO WHEN WORKING ON TAX?

We also looked for evidence of different types of approaches and activities adopted by CSOs as they work on domestic taxation issues. Research is the most prevalent activity among CSOs in the field (118 out of 171), and is the prevalent one in Asia and Latin America, as shown in Figure 3. This underscores the importance of developing technical capacity and producing credible analysis on tax policy as key factors in civil society tax work. The second and third most prevalent activities are advocacy around transparency & accountability (99 out of 171) and participation and engagement (95 out of 171), reflecting the limited access to tax information that CSOs face, especially in lower-income countries, and the need to create an environment that can facilitate CSOs’ engagement in tax policy processes. This seems to be a particular area of focus for groups in Sub-Saharan Africa. The least prevalent activity overall is “Literacy/ Awareness”, even though just over half of all groups in the scan (83 out of 171) are involved in it.¹⁶ This means that while the ODI/TAI survey was right to point out that this area of work is least developed, it probably underestimated how much activity is happening in this area.¹⁷

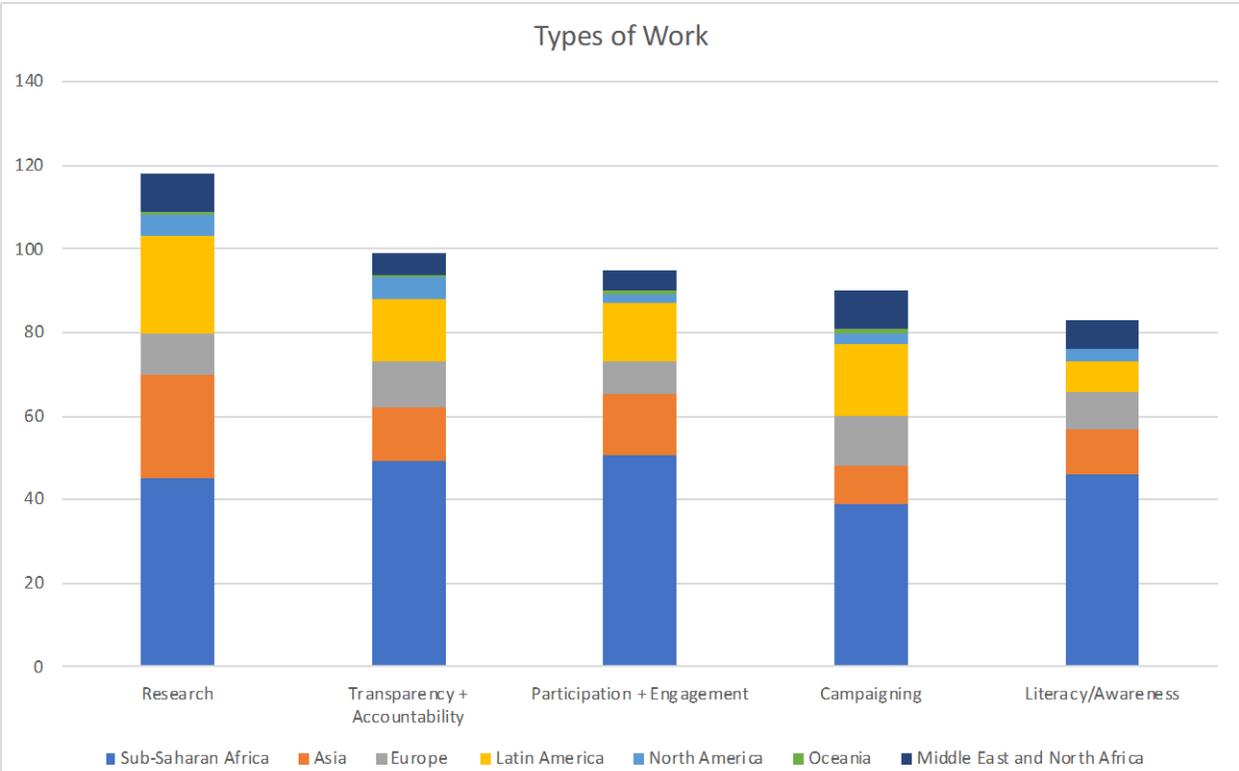
Many, if not most, groups are active across various types of work, demonstrating that tax work is by nature multi-dimensional and requires different types of skills and approaches.

¹⁵ This work uses gender as a lens to analyze the impact of tax policies on women (such as VAT) but there is little such work outside of the international NGOs and their local chapters. Notable examples include: PSI’s [report on tax and public service spending impact on women and girls in Ghana](#), Christian Aid’s [report on Ghana’s taxation of the informal sector and its impact on women](#), and AWID’s [report on reclaiming resources lost to Illicit Financial Flows for gender, economic, and social justice](#).

¹⁶ By “Literacy” we mean activities aimed at educating taxpayers about the fiscal system to improve tax compliance, whereas “Awareness” refers to activities that seek to educate taxpayers about how they can fight for a fairer tax system.

¹⁷ One good example of this work is CBGA’s dissemination of information on the introduction of the Goods and Services Tax (GST) in India. See for example, [here](#) and [here](#).

FIGURE 3. NUMBER OF CSOS INVOLVED IN DIFFERENT TYPES OF TAX WORK, BY REGION



Source: Authors

Note: The majority of organizations included in the scan work on multiple issues. The source table can be found in Annex 2.

The picture that begins to emerge from our broad scan of CSO tax work across the world is one of a field that has grown very quickly over the past 15 years or so, and is reaching a significant size, but still looks somewhat lopsided. Civil society work on international tax issues is well developed, with strong international and regional coordination, has generated a good degree of policy consensus, and has achieved some important goals. The policy agenda has also moved from reactive to proactive, with civil society actors seen as a key part of the debate—e.g. on BEPS at the OECD. By contrast, work on domestic taxation is still by and large reactive, and therefore tends to be more fragmented and piecemeal. But domestic tax work is by nature more piecemeal, as it necessarily must speak to the specificities of a country’s context and its politics. The fragmentation stems from the lack of a well-developed policy agenda and consensus like the one that exists at the international level. Consequently, at the domestic level,

groups tend to work across multiple themes and taxes, all aiming to answer the question “what does a *good* tax system look like?” but without a clear consensus across the field as to what “good” means.¹⁸

In the process of carrying out the scan and conducting the survey, we also observed some interesting regional trends and themes in civil society tax work. As mentioned earlier, civil society tax work in high-income countries has existed for much longer and while in earlier years it focused on domestic tax policy, there has now been a shift to include the international linkages and implications of the global financial architecture and the role of these countries’ domestic politics and policies in this architecture, including secrecy and transparency standards. This can be observed in the trend of what kinds of actors have gained prominence in this new era of tax justice work, and the kinds of work they focus on. Organizations such as SOMO (Netherlands), Canadians for Tax Fairness and Tax Justice UK all have work dedicated to this “enabling” role played by the tax policies and politics of the countries in which they work.¹⁹

In lower-income countries, tax work can be characterized as more citizen-focused, even though there is a strong research concentration. Research aimed at policy audiences and campaigning geared at citizen engagement and awareness-raising go hand-in-hand to raise the profile of tax issues in various country/regional contexts. In Asia and in sub-Saharan Africa, there is a larger emphasis on illicit financial flows, the global financial architecture and its domestic impacts, and extractives. In these two regions, CSOs tend to list research and research dissemination as their primary function. In Latin America & the Caribbean and the Middle East & North Africa regions, campaigning and engaging the public appear as much larger areas of focus, although research remains a main activity. Notably in these regions, there is a much larger emphasis on human rights framing in CSO tax work²⁰. These regions also lead in their focus on tax expenditures/ fiscal incentives as a major topic of work.

5. KEY ISSUES AND CHALLENGES IN CSO TAX WORK

While the broad scan gave us more general contours of the field of CSO tax work globally, the online survey and in-depth interviews allowed us to look at more specific aspects of the work done by some of the more active groups in this field. In the following sections, we cover a range of topics that emerged from this part of the research and help to better illuminate the shape and dynamics of the CSO tax field.

¹⁸ That might be gradually changing, as we argue in a recent brief on “[Promoting Equity through Taxation in Developing Countries](#).”

¹⁹ As can be seen from publications on their websites and from our online survey responses and in-depth interviews.

²⁰ From materials published on their websites (including strategy documents and reports) and interviews.

BOX 4. WHAT DOES THE “TYPICAL” CSO WORKING ON TAX LOOK LIKE?

From the 38 responses to our online survey, provided by civil society groups that are among the most recognized and active in the CSO tax field, we have pulled together a short profile of what a strong CSO, based in a lower-income country and working on tax, generally looks like:

This organization has worked on tax for at least 5 years (in almost half of the cases for more than 10 years) and has 3 to 5 full-time staff focusing on tax. The CSO tends to work on several different tax topics at the same time and usually also works on the expenditure side of the budget, even though the two are not always well integrated. The CSO always works at the national level (even though half of the groups also work on subnational taxation). And, it works with a number of different actors, most often the media and other national and international NGOs and NGO coalitions, but also has linkages with national government and, in fewer cases, private sector actors like business associations and professional bodies.

This profile provides an indication of the level of investment and capacity necessary by a CSO to compose a successful unit to work on tax issues.

5.1 HOW AND WHY DO CSOS BECOME INVOLVED IN TAX WORK?

The broad impetus for tax work often links to the larger motivation for work on economic justice more generally, which one organization described as “progressive taxes, progressively raised and progressively spent.”²¹ From our in-depth interviews with 19 groups, key themes emerged as to why tax work is not only important but necessary. CSOs see tax as the key to:

- Understanding and mapping how DRM efforts can be used to fund development,
- Promoting policy changes and reforms that lead to a more progressive, equitable, and efficient revenue system,
- Fostering the social/fiscal contract between state and citizen through meaningful transparency, accountability and engagement, and

²¹ This phrase came up in a conversation with Action Aid International as a description of their and their partners’ approach to tax work.

- Exploring and exposing the interlinkages between the international financial architecture and domestic tax systems, and how they influence each other.

DOMESTIC RESOURCE MOBILIZATION AND DEVELOPMENT DIALOGUE

One of the clearest entry points into tax work for civil society has been the issue of domestic resource mobilization, and its role in fostering a broader dialogue on development. This has been driven by global policy shifts such as the Sustainable Development Goals.²² An oft repeated theme in our in-depth interviews has been that not only do governments need revenue, but that they need to have the tools and capacities to raise such revenue and then to also direct this revenue towards economic and social development. Within this theme, one of the key tenets is the use of domestic resource mobilization to fund the provision of and access to public services. This is often the shorthand for broader development in the context of what is tax work useful for—creating this link in the mind of citizens as to how these services can be funded. In sub-Saharan Africa, domestic resources paying for development is also tied to the discourse of weaning countries off their reliance on development aid and debt to fund development. As one African CSO put it:

“The need [is] for African countries to finance their own development with limited reliance on aid and debt. This is partly through ensuring that everyone pays their fair share of taxes. There is further need to ensure that the revenue collected is well accounted and equally distributed to ensure that even the most vulnerable are able to benefit especially through government investment in social sectors; health, education as well as the productive sectors such as agriculture, trade and industry.”²³

There is also an element of using tax work to create a dialogue within a country on how development is funded, but also on what the country’s broader development trajectory should look like. In many cases, our interviewees described themselves as either translators, intermediaries, or convenors for that dialogue, bringing in voices of key groups within a country, including not only citizens but also other actors, particularly at the grassroots level. This idea that how taxation funds development should be subject to public dialogue is related to another theme and entry point into tax work: the transparency of the revenue system.

A TRANSPARENT AND ACCOUNTABLE REVENUE SYSTEM

Another entry point for civil society tax work is asking the question: “where are public resources coming from?”, alongside its normative version, “where should they be coming from?”. In other words, it relates to finding out who is paying taxes, and whether the tax system is fair and equitable. Some of the key factors in answering these questions relate to the ability of CSOs to access different kinds of tax information, and in ensuring that political processes bring about sufficient transparency and accountability.

²² Goals 8, 10, and 16, in particular, which center around sustainable economic growth, reducing inequality and promoting inclusive development.

²³ SEATINI Uganda.

To fruitfully engage in research, analysis and advocacy around tax policies, CSOs need access to adequate tax information. Such information needs to be comprehensive, timely and accessible. When CSOs were asked about their experiences regarding tax transparency, their answers differed widely, potentially due to their different expectations and the lack of adequate global standards in this area. Four areas of concern, in particular, emerged from both our survey responses and our interviews:

1. In many countries, tax information is often veiled in secrecy, more so than expenditure information. Political and legal environments often do not favor the disclosure of such information, and many CSOs are not sufficiently empowered to confront this issue.
2. Even when tax information is provided, its quality is generally inadequate. It is not disaggregated enough to allow the kinds of analyses required to advocate for specific reforms and/or to participate in technical tax debates. Also, at times information is only made available to select groups and is not easily comprehensible.
3. Information on the distributional impact of taxation is seldom available, making it difficult to understand how tax policies affect specific sectors or groups. This is particularly important to understand how tax policies may affect poverty and inequality, or specific minorities or disadvantaged groups.
4. A number of other important types of information are also not routinely made available or simply are not produced due to lack of capacity, such as information on tax expenditures, on tax evasion and avoidance, and on tax gaps—the difference between the tax revenues that a government might be able to collect and the tax revenues it actually does collect. Such lack of or insufficient information made available on revenue administration and the performance of revenue authorities leads to a lack of governmental accountability.

Secrecy or opacity aside, CSOs also make a broader claim that citizens have a *right* to know – so, not transparency for transparency’s sake but as a key part of accountability and democratic practice. As an interviewee from Ghana framed it:

“[We want to/we have] the most progressive tax regime that a developing country can have so that we can mobilize resources. But before we do that – the whole tax policy formulation process is opaque – how can we demystify that? [How can we] make it more participatory? Make it more accountable and open? How do we know we’re not being shortchanged?”²⁴

²⁴ SEND Ghana.

This interplay between the role of taxation in promoting development and ensuring the provision of public services, and the right of citizens to be able to access and understand tax information, leads us to the next entry point or framing for CSO tax work—the social/fiscal contract.

THE SOCIAL / FISCAL CONTRACT AND ADDRESSING INEQUITY

“Consider that fiscal policy is the specific face of the social contract. Through taxes and public spending, society redistributes wealth and, through financing, the protection, promotion and fulfillment of human rights, thereby creating the conditions for democracy, development and peace.”²⁵

The social/fiscal contract refers to the expectation that, in exchange for tax revenues, the government will provide to citizens a certain set of public services and, more generally, the necessary infrastructure for development and growth. A key concern for civil society organizations is that the provision of such services and infrastructure needs to be equitable, and specifically addresses inequality in their countries. This is often the driving force behind civil society work on tax expenditures, (lack of) wealth taxes, the distributional impact of consumption taxes, and on loopholes in the tax system that make the system more regressive by pushing the tax burden on to those with lower ability to pay.

The social/fiscal contract should not be conceived purely as a relationship of “fiscal exchange”, whereby those who contribute more may be entitled to ask more from the government. It should rather be viewed as a norm-based relationship, with the State as the duty-bearer regarding the fulfillment of basic rights and the provision of social infrastructure in exchange for citizens conferring legitimacy and credibility to the State through tax compliance.²⁶ The role of CSOs in this framing is to ensure that the conference of legitimacy and credibility is negotiated via some accountability mechanism. In the previous section, accountability was framed as related to transparency. But another important aspect of accountability is putting in place the mechanisms that give citizens power to influence the process of revenue raising and allocation—i.e. negotiate the shape of the social/fiscal contract, or the “tax bargain” between state and citizen. A key concern for CSOs in this arena is to ensure that marginalized groups within society can access and wield this power. This includes gender concerns, but also relates to groups such as those living in poverty in rural areas, people with disabilities, and ethnic/religious minorities within countries, just to name a few.

²⁵ ICEFI Guatemala.

²⁶ For a discussion of these issues, see A. K. Bak (2019) [*“When the fiscal social contract is not about tax: Understanding the limited role of taxation in social accountability in Senegal”*](#), PhD Dissertation, Aarhus University.

GLOBAL RULES, DOMESTIC CONSEQUENCES

In all domestically focused tax work, international tax policy issues and structures still loom large. Many of our interviewees framed this as the domestic consequences of a globalized system that allows for tax avoidance practices that are particularly harmful to lower income countries. As an interviewee from a European organization put it:

*“Governments need tax revenue to provide public goods and services like education, health care and infrastructure. ...Corporate tax avoidance shifts the tax burden to workers, consumers and small companies, contributing to global economic inequality and stunting economic and social development. Governments like [ours] deprive developing countries of surely-needed tax revenue by facilitating tax avoidance through mailbox companies. More and more countries compete for the most appealing system of corporate tax-dodging. It’s a system that privatizes gains while socializing losses.”*²⁷

Often the gains go overseas to wherever corporations’ headquarters are based, while the losses are felt domestically inside the countries where corporations’ activities occur. Civil society work focusing in this area is quite broad. It encompasses the domestic revenue repercussions of, for example, trade policy – double taxation avoidance agreements (DTAAs) and tax terms in trade treaties – investment policy (tax holidays to attract foreign direct investment) and global policy advocacy aimed at creating better conditions for domestic revenue collection (international transparency standards and re-negotiation of the international ‘rules of the game’). In sub-Saharan Africa, a number of groups focus on DTAAs, as they are often based on historical colonial arrangements.²⁸ DTAAs often provide very favorable tax concessions to companies headquartered in old colonial powers such as the United Kingdom, France, the Netherlands and Belgium, effectively allowing gains from these activities to go untaxed.

Another important link between international and domestic taxation relates to tax concessions provided to multinational corporations as part of schemes to attract foreign direct investment. This is an issue that is particularly important to countries in Asia (e.g. India) and in sub-Saharan Africa (due to extractives). In this area, civil society groups often take a two-pronged approach: (1) combining international advocacy around changing the rules and closing the loopholes that exist in international regulation, while (2) also promoting domestic campaigns and pressure around poor corporate tax behavior that deprives the government of important revenue sources.

²⁷ SOMO Netherlands.

²⁸ For example, Action Aid Kenya, Forum Civil (Senegal) and SEATINI (Uganda).

BOX 5. TWO ORGANIZATIONS THAT FOCUSED ON TAX, RATHER THAN EXPENDITURE, FROM THE BEGINNING

When we started working on this scan, we assumed that most CSOs working on public policies and budgets initially focus on issues related to public spending, and only later move to integrate that with work on sources of financing and taxation. Our survey reveals a different picture. Of the 38 groups that responded to our online survey, exactly half started working on the expenditure side of the budget, while 16 went straight into tax work first (the remaining 3 did not answer that specific question). While this may depend on several factors, we thought it would be useful to provide a couple of examples of how and why CSOs choose tax as their entry point into budget work. Interestingly, their original impulse to look at taxes came from work on debt and trade, rather than expenditure.

[Action for Economic Reforms](#) in the Philippines was created in 1996 by a group of progressive scholars and activists formerly associated with the Freedom from Debt Coalition, part of the global Jubilee Campaign. They identified revenue issues as a gap in the Coalition's evolving work on fiscal policies, related to the need to discuss broader issues of long-term financing for development beyond the reduction of the debt burden. They saw an opportunity to engage in tax policy debates bringing a strong focus on evidence and analysis. They are well known for their successful campaigns on sin taxes, which saw the Philippines government increase taxes on alcohol and tobacco in 2012, and then again in 2019, in order to fund a universal health insurance program.

The [Southern and Eastern Africa Trade Information and Negotiations Institute](#) (SEATINI) Uganda was also set up in 1996, originally to strengthen the position of developing countries in global trade negotiations and inform local actors about global trade debates and how they affected countries' development prospects. Work on taxes started in 2008 prompted by the decrease in revenues from trade taxation and the need to find alternative sources of revenues. SEATINI was one of the first CSOs in Uganda to focus on tax justice issues and revenue mobilization. They are part of a number of international networks and work on both international and domestic tax issues. They lead the work of the Tax Justice Alliance Uganda, a domestic coalition of local CSOs, and regularly contribute to domestic tax debates, including in the 2018 campaign against the introduction of new taxes on social media and mobile money transfers.

5.2 WHAT ARE THE LINKAGES BETWEEN TAX WORK AND EXPENDITURE WORK?

Approaching budget work from a holistic perspective requires integrating work on taxes and expenditures. This was one of the issues that we were interested in exploring through this research project. Among our 38 survey respondents, 34 also work on expenditure issues, and of these, all but two say that the two areas of work are linked. This provides a useful sample of the ways in which CSOs have tried to put such integration into practice, an issue which was further explored through in-depth interviews.

To some extent, the linkages that CSOs make between tax and expenditure work sometimes tend to be more conceptual than practical. Many groups make the general argument that tax policy and expenditure policy are inextricably linked, and that revenues need to be found to finance priority spending programs. For groups working on expanding social service delivery, for example, thinking about where the money will come from is an obvious next step that directly leads to work on taxation. Raising additional revenues, however, cannot lead to worsening inequality, or otherwise the positive impact of the additional spending that they are supposed to finance may disappear. Distributional aspects, therefore, are cited by many groups as being just as important on the revenue side as they are on the spending side of the budget.

Some CSOs, especially in Latin America, use a human rights approach as the overall lens through which both taxes and spending are analyzed, and policy recommendations and reform proposals are formulated. The [*Instituto de Estudos Socioeconômicos*](#) (INESC) in Brazil, for example, has developed a specific approach and methodology on [Budgets and Human Rights](#) that looks at both tax and expenditure policies as tools for promoting human rights (or preventing their realization). Other groups manage to create specific links between their tax and expenditure work by focusing on specific groups. The work of the [Women's Budget Group](#) in the UK, for example, looks at the impact of both tax and spending measures on women and on gender disparities more generally. Similarly, the [Center on Budget and Policy Priorities](#) often analyzes the impact of the budget on low-income families, including both targeted spending and tax relief programs, for example.

Finally, one of the ways in which CSOs have tried to link tax and expenditure is through “earmarking” or linking specific revenues to specific spending programs. The example mentioned in Box 5 about AER’s work on sin taxes is a clear example of this. AER was well aware that sin taxes, despite their health benefits, tend to be regressive, as alcohol and tobacco consumption tends to be higher among lower-income individuals and represents a larger share of their income. As a consequence, AER argued that additional revenues should be dedicated to financing universal access to healthcare, a clearly progressive spending measure.

5.3 WHAT ARE THE MAIN CONSTRAINTS FACING CSOS WORKING ON TAX?

Data from our broad global scan demonstrate that civil society tax work is relatively widespread. However, based on our online survey and in-depth interviews, it seems to remain quite thin on the ground, especially when it comes to domestic taxation. What is constraining civil society organizations from expanding their work in both depth and breadth? From our survey, the top three constraints as ranked by respondents were: (1) funding; (2) staffing/human resources; and (3) technical capacity/knowledge, in that order. What is surprising is how relatively low “shrinking civil space/political environment” ranked in terms of constraints on CSO tax work. This suggests that civil society organizations, while alarmed by the global shift toward populism and autocracy, still see sufficient openings and opportunities for progress. But it may also reflect the incipient nature of tax work in many countries, where addressing issues of funding, staffing and capacity may come before any significant efforts at policy engagement that might reveal the limits of the political space available for tax reform. Another interesting finding has been the issue of “finding good partners or coalitions” (ranked 4 out of 7 in top constraints), further reinforcing that while there are many organizations working on tax issues, they are still far from a critical mass, and face further constraints in getting other groups mobilized. The capacity to engage deeply in tax policy advocacy, it seems, remains the preserve of a limited number of groups globally.

In the remainder of this section, we discuss three sets of issues that emerged mostly from our in-depth interviews, and that go beyond the simple ranking of constraints that resulted from the online survey.

FUNDING AND CAPACITY

From our survey and interviews, it is clear that the lack of adequate funding is overwhelmingly the major constraint that civil society organizations face in their work on domestic tax issues. Despite a recent increase in DRM-related funding being channeled through civil society, much of this assistance goes to international rather than domestic NGOs.²⁹ Also, there are relatively few funders in this space and with relatively small funds compared to issues such as climate change (another issue that requires both international coordination around rules but also robust domestic policy work). Without funding, organizations are unable to plan the long-term work necessary to address difficult policy issues such as tax, see their work as sustainable and engaged in structural change (as opposed to short-term and project-based), or support grassroots work necessary to reach and engage citizens.

Linked to funding is the issue of technical capacity. First, given the complexities involved and the relative nascence of this field, there are very few people with the technical and analytical knowledge to work on tax – and this is an

²⁹ See <https://blog.savethechildren.org/2019/09/data-snapshot-how-do-donors-support-citizen-engagement-tax-policy.html>.

issue globally. In LMICs, moreover, civil society organizations often have their best staff poached by either international NGOs or by donors—which exacerbates the dearth of capacity in the place where it is most needed. This category of constraints is, arguably, the easiest to fix with more funding and with more training focused on building capacity and knowledge on tax within civil society.

A GOOD ECOSYSTEM

Although “shrinking civil space/political context” ranked relatively low on the constraints list, during our interviews it became clear that what mattered more was the general “ecosystem” in which CSOs act when working on tax. A good ecosystem has at least three elements: a favorable political context, available government partners, and capable civil society partners. CSOs are often operating, at best, in contexts where two out of three of these elements are present to some degree, and in the worst case with none. Even in difficult political contexts, civil society organizations can find ways of working (i.e. influencing policy and/or behavior) if they have good partners within the bureaucracy that are open to dialogue³⁰. As mentioned earlier, the fourth top constraint from our survey was “finding good partners/coalitions to join”. When we looked at which organizations had listed this as one of their top three constraints, they were all among the strongest organizations in the field. In the interviews, some of these organizations expressed their need for more civil society partners, not only those that could add analytical capacity and support more research and policy advocacy, but also those that could engage in movement building with ordinary citizens. They also mentioned that this was further exacerbated by a lack of funding and capacity to support and engage new partners in this work.

NARRATIVE AND FRAMING

Although not listed as an option in our survey, through the open-ended questions in the survey and in our interviews, it became clear that one of the key constraints that CSOs face in this work is the lack of a compelling—or compelling enough—narrative around the need for a more equitable tax system and tax compliance, that can effectively counterbalance the ‘free-market, small government’ narrative around the right to individual wealth and the paramount role of business in society. This conservative framing elevates the business sector and entrepreneurial individuals as key drivers of prosperity and growth in society, and advocates for their right to hold onto their well-deserved wealth which, the framing goes, they will reinvest to everyone’s benefit. An alternative framing could focus on the importance of tax-funded services such as healthcare, education, enforcement of property laws and physical infrastructure that allows businesses to thrive and create wealth. This framing argues for the obligation to pay back into the system that allowed for the wealth creation in the first place. This also speaks to the role that CSOs can play in shaping the social/fiscal contract as a norm-based exchange. While this

³⁰ See the case of Uganda where the Uganda Revenue Authority holds regular dialogue with domestic CSOs and receives their proposals on tax policy.

counter-narrative exists, and is increasingly deployed, it does not seem to have gained sufficient traction to shift public opinion on tax matters. In this effort, one of the key allies for civil society is the media. Throughout the interviews, CSOs clearly outlined the important role of the media in not only informing the public and applying political pressure, but also in building a credible and appealing counter-narrative. Many expressed the sentiment that the tax field has yet to learn how to leverage the media to their benefit.

5.4 WHAT DOES THE FUTURE OF CSO TAX WORK LOOK LIKE?

In some of the in-depth interviews, we asked groups how they saw their tax work evolving in the coming years. Their responses were a bit mixed, often focused on the local context and referred to their existing plans for the future, rather than to broader considerations and trajectories. They were also inevitably colored by the ongoing COVID-19 crisis, and by their immediate concern over the government response to the pandemic and how it was going to affect future development prospects, levels of poverty and inequality, and so on.

Many groups expressed the general need to focus future work on both getting more revenues to fund priority spending and ensuring that taxation becomes more progressive. More specific indications or suggestions were scarce, except for a few proposals to promote new or more taxes on wealth, to ensure that those who do have the capacity to pay more taxes, do so.

6. CONCLUSIONS

Almost two decades on from the beginning of the global tax justice movement, we take stock of civil society efforts on taxation across the world, with a specific eye to work on domestic taxation issues in lower-income countries. Our global scan reveals a field that has grown a lot, but in many ways is still trying to find its own space and identity when compared to the more widespread and better structured work on international taxation issues. It is a field that is larger and more diverse than we initially expected, but it remains quite thin, in its presence, capacity and reach. Research and advocacy on domestic taxation issues is usually limited to a very small number of organizations in each country, often with limited capacity and with few opportunities for broader partnerships and coalitions. At the same time, the work of a number of strong organizations—many of which have been highlighted in this paper—shows that effective civil society engagement in domestic tax reform is possible in a variety of contexts.

Civil society work on international taxation issues benefitted from an earlier start and from the fact that the international NGOs that were leading the effort had adequate funding and capacity. In turn, this helped develop and drive a clear policy agenda, and generated a useful initial stimulus and support for CSOs in LMICs to start engaging with taxation issues, but also meant that groups in these countries often depended on international networks for funding, guidance and capacity. Domestic tax work has been more fragmented, piece-meal, and necessarily country specific. It has suffered from the lack of a clear, shared policy agenda, and has been constrained by a series of factors, including: (a) lack of funding; (b) limited expertise and access to capacity building opportunities; (c) adverse ecosystems for this work due to unfavorable political contexts, unfriendly governments and weak civil society partners; (d) poor access to and quality of revenue data; and (e) lack of a stronger narrative in support of more equitable taxation.

The global COVID-19 pandemic could be providing some interesting opportunities and openings. A number of groups and coalitions at both the domestic and international level are seizing the moment to put forward bold tax reform proposals that could help countries not only weather the crisis better, but also build a stronger base for future recovery. This is generating interesting debates and some movement towards a stronger policy consensus. The current crisis might also help open up spaces for more constructive dialogue with governments, as they struggle to find viable solutions.

Yet, ensuring that some of these more recent shifts provide a stronger long-term basis for civil society engagement in domestic tax policies and reforms requires addressing some of the existing constraints in a more forceful way.

- More investments are needed in funding and in equipping country-level groups with the ability to produce and disseminate knowledge, foster citizen awareness and engagement, and build movements and coalitions that can more effectively create and sustain pressure for country-specific reform agendas.
- More efforts are needed to ensure that emerging international norms and standards on tax transparency and access to tax information are translated into a more conducive environment for CSO tax work at country level.
- Work on international and domestic aspects of taxation could be better integrated to fully reflect the domestic repercussions of existing faults in the international tax system, strengthening country-level reform agendas.
- And a better and more forceful global narrative around the need for more equitable tax systems that take into account the needs and priorities of all citizens needs to be crafted and used to support country-level reform efforts.

These efforts will help ensure that civil society has the necessary tools to play a more effective role in ensuring that taxation is used to promote more equitable and inclusive societies in the years to come.

ANNEX 1: CATEGORIES OF TAX WORK USED DURING THE RESEARCH

CATEGORIES USED IN THE BROAD SCAN DATABASE (171 ORGANIZATIONS):

Types of Tax (International)	Types of Tax (Domestic)	Types of Work (Ways of Working)
<ul style="list-style-type: none"> • Illicit financial flows • Base erosion + profit shifting • Taxes on extractives • Trade taxes • Digital Taxes 	<ul style="list-style-type: none"> • Corporate taxes • Other direct taxes • Consumption taxes • Taxes on extractives • Tax expenditures/fiscal incentives • Other 	<ul style="list-style-type: none"> • Transparency + accountability • Engagement + participation • Research • Campaigning • Literacy/Awareness

CATEGORIES USED IN THE ONLINE SURVEY (38 ORGANIZATIONS):

Types of Tax (International)	Types of Tax (Domestic)	Types of Work (Ways of Working)
<ul style="list-style-type: none"> • Illicit financial flows • Base erosion + profit shifting • Taxes on extractives • Taxes on trade and investment • Other 	<ul style="list-style-type: none"> • Corporate taxes • Other direct taxes • Consumption taxes • Taxes on extractives • Tax expenditures/fiscal incentives • Revenue administration • Subnational taxes • Other 	<ul style="list-style-type: none"> • Through lobbying for better tax transparency • By advocating for more accountability in tax policies and systems • By creating opportunities for (citizen) participation on tax issues • By creating platforms for engagement and dialogue on tax issues • By creating tools and materials to improve literacy and awareness among citizens on tax issues • By doing and disseminating quality research on tax issues • By participating in or directing grassroots campaigns on tax issues • Other (please elaborate)

NOTE: As can be seen, there is a small discrepancy in how we categorized types of tax (international, domestic) and types of work (ways of working) between our broad scan database and the online survey. When building the database, the categorizations were based on broad buckets/areas of tax work as understood from previous exercises and from IBP's own Tax Team's internal expertise and familiarity with civil society tax work. However, in the process of undertaking the broad scan, we realized that for the online survey, we would need to alter the categorizations, particularly under "types of work", to be able to parse the topography of tax work better. We did not retroactively re-categorize the database as we did not have enough easily available information to do so with that finer grain.

ANNEX 2. DATA TABLES FROM THE GLOBAL SCAN

TABLE 1: NO. OF ORGANIZATIONS WORKING ON DIFFERENT TYPES OF TAXES (INTERNATIONAL)

TYPE OF TAX (international)	sub-Saharan Africa	Asia	Europe	Latin America	North America	Oceania	Middle East and N. Africa	Total #	Total %
Total # of CSOs:	74	30	16	30	6	2	13	171	
Illicit financial flows	30	15	9	4	4	0	2	64	37%
Base erosion + profit shifting	22	12	12	2	2	0	2	52	30%
Taxation of extractives	26	8	7	1	2	2	0	46	27%
Trade taxation	12	13	11	1	3	0	5	45	26%
Digital taxation	6	1	3	1	4	0	0	15	9%

TABLE 2: NO. OF ORGANIZATIONS WORKING ON DIFFERENT TYPES OF TAXES (DOMESTIC)

Type of Tax (Domestic)	sub-Saharan Africa	Asia	Europe	Latin America	North America	Oceania	Middle East and N. Africa	Total #	Total %
Total # of CSOs:	74	30	16	30	6	2	13	171	
Tax expenditures/ fiscal incentives	35	22	7	18	5	1	11	99	58%
Corporate taxes	33	22	12	8	5	1	4	85	50%
Other direct taxes (incl. on personal income, property and wealth)	28	11	6	11	2	1	5	64	37%
Consumption taxes (incl. sales taxes, excise taxes, sin taxes)	24	10	6	10	3	0	5	58	34%
Taxes on extractives	41	10	4	11	4	1	1	72	42%
Other	23	10	13	13	3	1	2	65	38%

TABLE 3: NO. OF ORGANIZATIONS DOING DIFFERENT TYPES OF WORK

Types of Work	sub-Saharan Africa	Asia	Europe	Latin America	North America	Oceania	Middle East and N. Africa	Total #	Total %
<i>Total # of CSOs</i>	74	30	16	30	6	2	13	171	
Research	45	25	10	23	5	1	9	118	69%
Campaigning	39	9	12	17	3	1	9	90	53%
Transparency + accountability	49	13	11	15	5	1	5	99	58%
Participation + engagement	51	14	8	14	2	1	5	95	56%
Literacy/awareness	46	11	9	7	3	0	7	83	49%

ANNEX 3. List of CSOs that responded to the online survey and were interviewed

Organization	Country	In – depth Interview?
ActionAid Kenya	Kenya	
ActionAid Nigeria	Nigeria	
ActionAid Senegal	Senegal	
Asociacion Civil por la Igualdad y la Justicia (ACIJ)	Argentina	
Action for Economic Reform (AER)	Philippines	x
Al Marsad	Palestine	
Canadians for Tax Fairness	Canada	
Centre for Budget and Governance Accountability (CBGA)	India	x
Center on Budget and Policy Priorities (CBPP)	United States of America	x
Civil Society Legislative Advocacy Centre (CISLAC)	Nigeria	x
Centre for Policy Dialogue (CPD)	Bangladesh	x
Center for Trade Policy and Development (CTPD)	Zambia	
Dejusticia	Colombia	
DemNet	Hungary	
Transparency & Accountability in Totality – FollowTaxes	Nigeria, Togo, Chad, Niger	
Forum Civil	Senegal	
Fundar, Centro de Analisis e Investigacion	Mexico	x
Grupo FARO	Ecuador	x
Instituto Centroamericano de Estudios Fiscales (ICEFI)	Based in Guatemala, but working across Central America	x
Institute of Economic Affairs (IEA)	Kenya	
Indus Consortium	Pakistan	
Institute of Socioeconomic Studies (INESC)	Brazil	x
Perkumpulan INISIATIF	Indonesia	x
Institute of Public Finance	Croatia	
LATINDADD	Based in Peru but working across Latin America	x
Libertad y Desarrollo	Chile	
National Institute of Public Finance and Policy	India	
National Taxpayers' Association	Kenya	x
Policy Forum	Tanzania	x
PRAKARSA	Indonesia	x
South Asia Alliance for Poverty Eradication (SAAPE)	Nepal, Bangladesh, India, Pakistan, Sri Lanka	
Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI)	Uganda	x
SEND - Ghana	Ghana	x

Centre for Research on Multinational Corporations (SOMO)	Netherlands	x
Sushasoner Jonny Procharavizan (SUPRO)	Bangladesh	
Tax Justice UK	United Kingdom	x
Women's Budget Group UK	United Kingdom	x