A Pan-African Feminist Primer on Wealth Taxes!

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We can't forge forward if we do not look backward. If we don't understand where we are coming from, what led to the current African economic system, and the way that it is. Colonialism has simply mutated into neoliberalism, and therefore dismantling neoliberalism is our journey to reclaiming what is ours.

Mandanda Jessica

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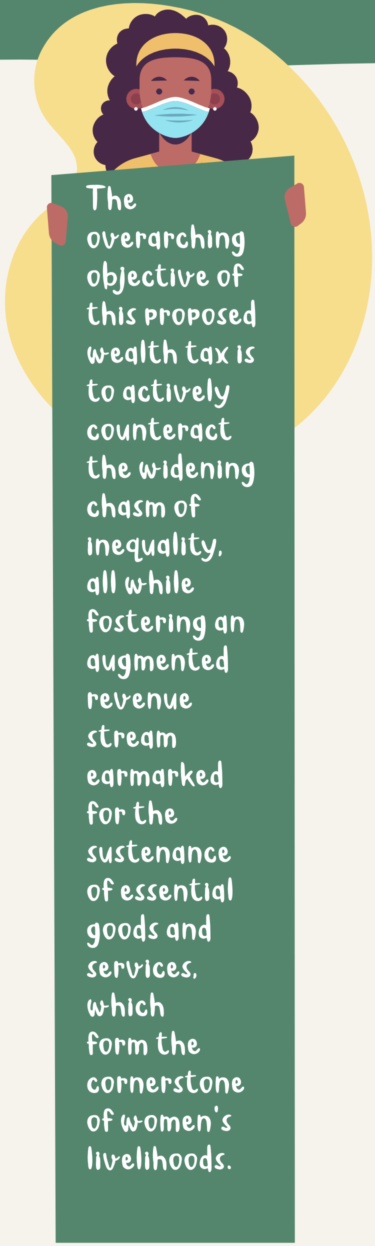
1. Introduction



There is a surging interest in the realm of feminist economics, particularly in the intricate intersection between gender dynamics and the redistribution of wealth. Drawing upon the influential role of taxation as a potent instrument for redistribution, a coalition comprising feminists, advocates for tax justice, human rights champions, and proponents of economic justice, have rallied behind the proposition of instituting wealth taxes. This progressive taxation approach zeros in on the most affluent individuals and corporations. The overarching objective of this proposed wealth tax is to actively counteract the widening chasm of inequality, all while fostering an augmented revenue stream earmarked for the sustenance of essential goods and services, which form the cornerstone of women's livelihoods. Additionally, such a tax structure seeks to dismantle avenues that facilitate the discreet outflow of illicit financial assets by imposing stringent reporting requirements, conducting thorough audits of high-net-worth individuals and corporations and enhancing international cooperation for information exchange to detect patterns indicative of illicit activities.

Within this paper, we embark on a comprehensive exploration of the concept of wealth tax from a Pan African feminist perspective. Our journey entails a nuanced understanding of wealth and wealth inequality from a Pan African feminist perspective. It further presents an insightful deliberation into the root causes of wealth inequality. The paper also delves into the multifaceted challenges arising from the global exploitation and extraction of resources, often disproportionately affecting African women and perpetuating economic disparities. The consequences of regressive tax policies, driven by neoliberal ideologies and skewed towards favoring the wealthy, are dissected in Section 2. Section 3 defines the concept of wealth taxes and justifies it as a critical tool for ensuring principles of justice, equity and "Ubuntu" and "Umuntu ngumutu ngabantu"[1]. This section underscores the urgency for a wealth tax, shedding light on the colonial legacy that persists within the contemporary tax systems of African nations. Relatedly, the sections that follow next progressively unveil a comprehensive exploration of this discourse. As the discussion evolves in Section 4, the focus shifts to solutions and avenues for change. In this section, the paper calls for transformative policy actions: including the review of Double Taxation Treaties (DTTs), removal of unfair tax incentives, the adoption of decolonial perspectives on taxation, tailored approaches to address gender inequality, and the positioning of wealth taxes as a significant funding source for financing climate action and development more broadly, as well as a tool for transforming power and the inequality it propagates. Together, these sections lay the groundwork for a nuanced understanding of the complexities surrounding wealth taxation and its potential to reshape economic paradigms, reclaim Africa's sovereignty and liberate their marginalized communities, especially African women.

1 The philosophy of "Ubuntu", 'I am because we are' and the Zulu maxim "Umuntu ngumutu ngabantu" speak to the social and economic contract that has shaped African societies. These philosophies demand that every human being should be treated with humanity, dignity and respect.

2. Understanding Wealth

Wealth encompasses a diverse array of valuable assets and resources owned by individuals, households, or entities and serves as a reflection of their financial stability beyond mere income. It spans various categories, including financial assets like stocks and bonds, real estate holdings, personal possessions like artwork and jewelry, ownership in businesses, retirement accounts, intellectual property rights, education and skills, and inherited assets. Collectively, these valuable possessions constitute an individual's net wealth, which in turn shapes their financial standing; and accords them access to and control over resources and decision making spaces.

2.1. Nuances of Wealth Inequality

The call to Tax the Rich, Redistribute Wealth! is premised on a fundamental concern that the current level of wealth inequality has reached alarming levels. The number of billionaires has been increasing, intensifying the concentration of wealth among a few individuals. In 2021 alone, there were 2,660 billionaires with a total combined wealth of $13.76 trillion[2] and approximately 56 million millionaires, representing only 1.1% of the world's adult population, yet owning around 46% of the global wealth.[3]

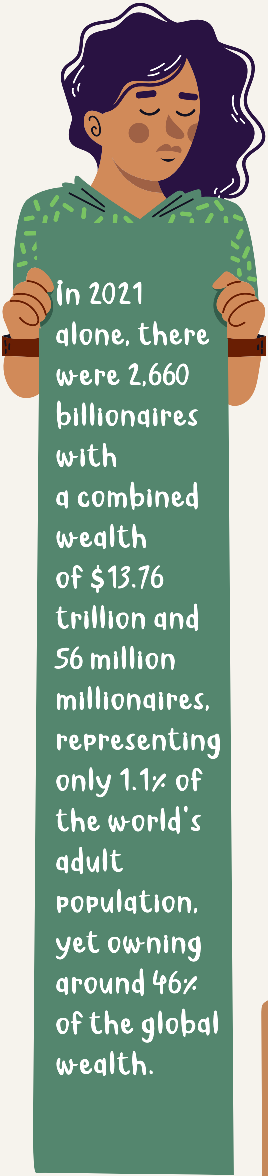
Amid escalating global inequality, the wealth of billionaires ascends by $2.7 billion on a daily basis[4], despite the fact that inflation continues to surpass the wages earned by a minimum of 1.7 billion

2 Tax extreme wealth: An annual tax on the world's multi-millionaires and billionaires: What it would raise and what it could pay for. https://www.fightinequality.org/sites/default/files/2022-01/Taxing-Extreme-Wealth-What-It-Would-Raise-What-It-Could-Pay-For.pdf

3 Zippia. "33 Incredible Millionaire Statistics [2023]: 8.8% Of US Adults Are Millionaires" Zippia.com. Feb. 24, 2023, https://www.zippia.com/advice/millionaire-statistics/

4 Oxfam (2023). Richest 1% bag nearly twice as much wealth as the rest of the world put together over the past two years, https://www.oxfam.org/en/press-releases/richest-1-bag-nearly-twice-much-wealth-rest-world-put-together-over-past-two-years

workers. The COVID 19 pandemic served as a "rebound tumbler" for many millionaires[5], catapulting billionaires' fortunes to unprecedented heights. Their wealth soared to unimaginable levels since the onset of the pandemic, rendering their previous years' gains incomparable. Corporations in the United States and around the world continue to reap and record profits thanks to enormous tax cuts, widespread tax avoidance schemes, and business-friendly trade and investment policies.[6] This has led to an unprecedented contrast between many countries' GDPs and these corporations' market capitalization value and corporate revenue. Apple for example, has grown its value to $2.2 trillion, making it wealthier than 96% of the world.[7]



Given this context, proponents of wealth taxes have been advocating for governments to impose tax on the wealthy[8]. Therefore, the imperative for the topic of wealth taxes cannot be ignored. Since time immemorial, the accumulation of wealth has led to stark disparities and power imbalances in many societies. For example, current high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs) dominate global decision making spaces and representation in institutions because of the amount of resources that they control. This control of decision making power coupled

5 Oxfam (2022). Ten richest men double their fortunes in pandemic while incomes of 99 percent of humanity fall, https://www.oxfam.org/en/press-releases/ten-richest-men-double-their-fortunes-pandemic-while-incomes-99-percent-humanity

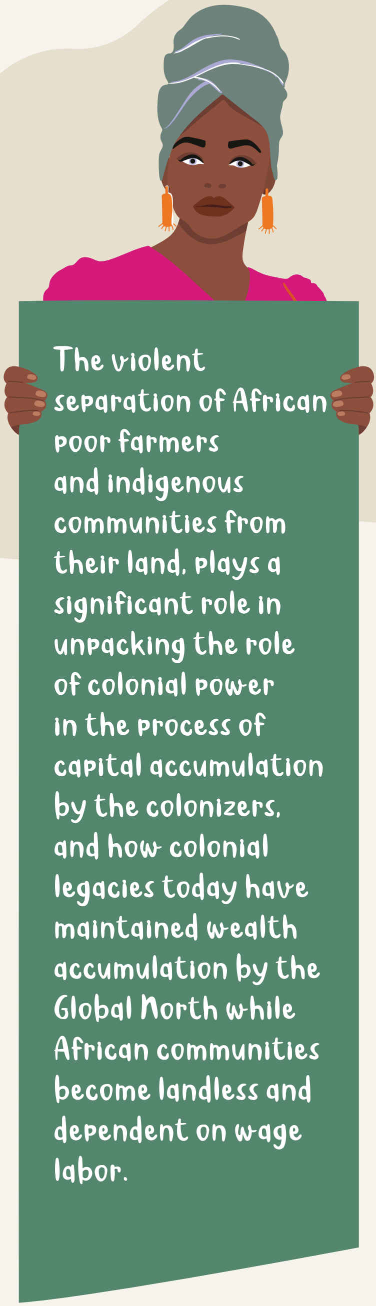
6 Jake Johnson, 157 of World's 200 Richest Entities Are Corporations, Not Governments, https://inequality.org/research/richest-entities-corporations-governments/

7 Paul Dughi (2021). Apple, Amazon Wealthier than More than 90% of the World's Countries, https://medium.com/stronger-content/apple-amazon-wealthier-than-more-than-90-of-the-worlds-countries-17dbae8b98fe

8 Fight Inequality (2022). Open Letter: The Petition to Tax the Rich. https://www.fightinequality.org/global-protest-fight-inequality

with the ways in which historical conflicts surrounding the control of resources were addressed is central to the African narrative—particularly in understanding the ways in which decisions regarding who will wield authority over others within a society were made. For example, the violent separation of African poor farmers and indigenous communities from their land, plays a significant role in unpacking the role of colonial power in the process of capital accumulation by the minority, because it explains how certain individuals, particularly white settlers, got land and other forms of wealth while African communities became landless and dependent on wage labor. This perspective is very critical as wealth has been used as a tool by those that have it to wield "invisible power" and sustain colonial legacies of exploitation and domination long after the end of direct colonialism[9]."

Currently, wealth concentration also affects policy making, potentially leading to policies that favor the rich. For instance, the role of the World Bank and IMF, as well as the World Trade Organization in dictating global, regional, and national economic policy and ecosystems including fiscal policy, trade and



9 Sylvia Tamale (2020). Decolonization and Afrofeminism

investment rules cannot be overstated. The US for example has more formal power than any other state in all the agencies of oversight and management of the IMF and the World Bank, while the Group of 7, commonly referred to as the G7 - an intergovernmental political forum consisting of Canada, France, Italy, Japan, the United Kingdom, the United States, and Germany/ the European Union often significantly influence, set the agenda, and determine the pace of international trade and investment negotiations. In fact, within the area of tax, attempts to establish globally inclusive tax rules at the United Nations (UN) for a long time faced opposition from the wealthiest countries and colonial powers, preferring to maintain decision-making power within the Organisation for Economic Cooperation and Development (OECD).

Recognising this reality and the role that wealth plays, makes the case of wealth taxes and underscores the necessity to address wealth inequality from a structural standpoint, recognizing that a wealth tax could in addition to generating additional revenue, redistribution of resources therefore addressing income inequality, will also potentially contribute to the radical agenda of transforming current global power imbalances.

2.2. Hushed truths: Unearthing the Roots of Wealth Inequality

The looting of Africa and her resources dates as far back as the pre colonial era and has persisted to date. As one reviewer of Walter Rodney's book, "How Europe underdeveloped Africa" noted "It was not the benevolence of European nations that attracted them to Africa, but rather, the search for wealth that they could exploit.[10]"

10 Gabriel O. Apata (2022). Review: Walter Rodney, 'How Europe Underdeveloped Africa', https://www.theoryculturesociety.org/blog/review-walter-rodney-how-europe-underdeveloped-africa

In the present day, this plunder has taken different forms, including dictating and influencing Africa's economic policy directions; extracting and exploiting poor people's labor especially of women and youth through long hours of uncompensated or poorly compensated work; land grabbing; and the extraction and exploitation of the environment in form of mining and waste disposal.[11] In 2016, the Global Financial Integrity (GIF) and the Centre for Applied Research at the Norwegian School of Economics released a report[12] that showed that more than US$16.3 trillion has been repatriated to the West since 1980.

Wealth inequality has been facilitated by systems and processes systems including patriarchy, imperialism, slave trade, colonialism, neoliberal capitalism, neocolonialism, among others. Moreover, these systems are also responsible for driving a multitude of public policy failures, including those related to how states collect and spend their revenue. Marginalized/ minoritized people, particularly women, youth, and people of color often face the biggest brunt of their effects because they are the poorest, own and control the least amount of capital, spend most of their income on consumption and have the least access to information and capacity to leverage

Wealth inequality has been facilitated by multiple systems and processes including patriarchy, imperialism, slave trade, colonialism, neoliberal capitalism, neocolonialism, among others. Moreover, these systems are also responsible for driving a multitude of public policy failures.

11 Settles, Joshua Dwayne, "The Impact of Colonialism on African Economic Development" (1996). https://trace.tennessee.edu/cgi/viewcontent.cgi?article=1182&context=utk_chanhonoproj

12 Gabriel O. Apata, The Suffocating Nature of Colonial Capitalism: Review of Walter Rodney's How Europe Underdeveloped Africa, https://www.theoryculturesociety.org/blog/review-walter-rodney-how-europe-underdeveloped-africa

opportunities such as tax incentives, buying shares, among others. For women, the influence of orthodox economic modeling of social arrangements and the "manstream" understanding of well-being has disproportionately affected African women, exacerbating the existing inequalities they face. While some policies such as austerity measures have been implemented on the basis that they can potentially address challenges related to budget deficits and public debt, they disproportionately impact marginalized communities, particularly African women in low-income households[13].

The prevailing tax system in Africa is steeped in colonial legacies, serving as a stark reminder that the echoes of colonialism persistently reverberate within our societal structures. It is an unsettling truth that colonialism has not truly departed; rather, it has adeptly reshaped itself, assuming the guise of capitalism, privatization, and neoliberalism. Within this context of historical inequities and systemic challenges, the exploration of wealth taxation gains significance as a potential solution to address these deeply rooted issues. We must acknowledge the crucial fact that the tax system inherited during the era of "flag independence" was inherently ill-suited to facilitate the establishment of a robust welfare state. The consequences have been far-reaching, as these nations confront the enduring challenges posed by a tax system that perpetuates socio-economic inequalities and hampers their progress towards equitable development.

Therefore, it is crucial to address this topic of wealth taxes as a systemic issue and implement policies that impose direct taxes on the ultra wealthy while also assessing the ways in which the labor they that employ, are compensated, their process of land acquisition centers communities' rights and interests, and the production approaches are not extractive and exploitative of people and the planet. This argument is supported by current climate justice advocates' position that challenges the approach of merely focusing on the polluter

13 UNHCR (2013). Report on austerity measures and economic and social rights, https://www.ohchr.org/sites/default/files/E-2013-82_en.pdf

pays principle[14] instead of taking caution to address the structural and systemic causes of the climate crisis that will not address the climate problem. Similarly, while wealth taxes are an essential part of the wealth redistribution process, other key policy reforms must be undertaken to ensure that inequality in all its forms is fully addressed.

This situation is made worse by the growing competition among African states for foreign direct investments (FDIs) through what has popularly been referred to as the "race to the bottom"[15]. To enhance their "competitiveness" in attracting FDI, African states have signed at least 300 Double Taxation Treaties (DTTs)[16] and more than 900 Bilateral Investment Treaties (BITs)[17], signed mostly with non African states including mainly, former colonialists. Corporations from EU countries, the US, Japan, China among others, have taken advantage of tax treaty provisions to structure their investments to enjoy access to tax breaks, reduced tax obligations, taxes on dividends and interest payments. Using DTTs, corporations, especially those registered in Tax Havens[18] are able to avoid taxes and manipulate their profit. This is also known as Base Erosion and Profit Shifting (BEPS)[19]. While tax treaties are intended to avoid double taxation, they have only worked to create opportunities for the rich to avoid paying their fair share by doubling their non-taxation. Corporations are also increasingly engaging in treaty shopping[20] and shifting profits[21] to minimize tax obligations.

14 OECD (1992). The Polluter-Pays Principle: Analyses and Recommendations, https://one.oecd.org/document/OCDE/GD(92)81/En/pdf
15 James Chen. What Is the Race to the Bottom?, https://www.investopedia.com/terms/r/race-bottom.asp
16 New Internationalist (2023). Tax Justice Network Africa's historic win, https://newint.org/features/2023/03/03/tax-justice-network-africas-historic-win-over-double-tax-agreements
17 Bilateral Investment Treaties: A continuing threat to Africa, https://aefjn.org/en/bilateral-investment-treaties-a-continuing-threat-to-africa/
18 Tax Justice Network. What is a Tax Haven? https://taxjustice.net/faq/what-is-a-tax-haven/
19 Transparency International. Base Erosion and Profit Shifting, https://www.transparency.org/en/corruptionary/base-erosion-and-profit-shifting
20 OECD. Prevention of tax treaty abuse, https://www.oecd.org/tax/beps/beps-actions/action6/
21 Tax Justice Network. What is profit shifting? https://taxjustice.net/faq/what-is-profit-shifting/

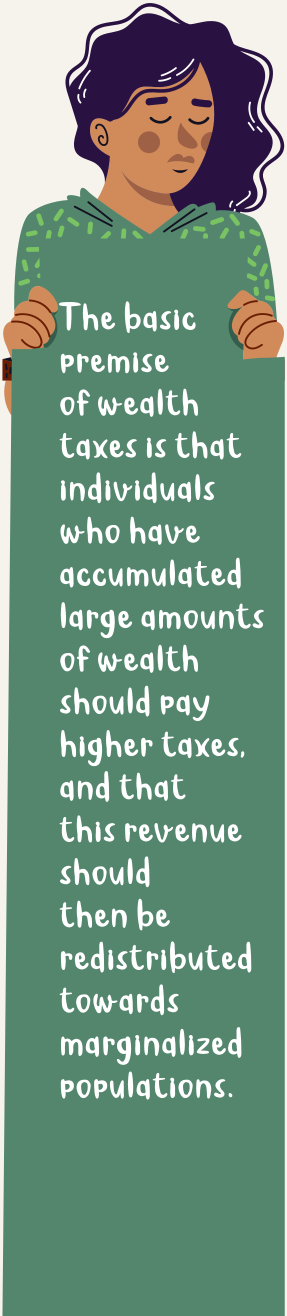
This opportunistic behavior concealed within international treaties and corporate activities, has further exacerbated the revenue loss for African nations. The cost of tax treaties is the limitation in the taxing rights of African governments where multinational corporations generate profits and in many cases freely transfer them abroad leaving peanuts for their host states. It is estimated that developed countries are responsible for 72% of global extraction of resources, of which 50% of this extraction is from the Global South[22]. This global power dynamic and resistance to fair economic playing field has reinforced the need to explore alternative approaches such as wealth taxation to counteract the persistence of economic disparities.

22 Open Access Government (2022). US and EU responsible for 74% of global resource extraction, https://www.openaccessgovernment.org/usa-eu-resource-extraction-global-south-raw-materials-climate-change-co2-emission/133628/

3. What is a Wealth Tax

A wealth tax is a levy that is imposed as a percentage of one's net wealth, calculated as the total value of one's assets, less any liabilities. A wealth tax targets certain assets that aren't normally subject to a tax, such as personal property, collectibles, and real estate used as primary residences. Therefore, one would pay a wealth tax in addition to other taxes, such as income tax. During the 2023 annual World Economic Forum (WEF) in Davos, global millionaires and billionaires convened and collectively issued a call to world leaders to address the issue of extreme inequality by introducing wealth taxes particularly in light of the escalating cost of living[23]. However, despite its outward appearance of progressiveness, the reality remains that our aspiration for wealth taxes cannot be realized within the current regressive tax system that places a significant burden of tax on the poor and is also vulnerable to Illicit Financial Flows (IFFs).

The basic premise of wealth taxes is that individuals who have accumulated large amounts of wealth should pay higher taxes, and that this revenue should then be redistributed towards marginalized populations. This can be in the form of an annual tax on assets or a one-time tax on wealth above a certain threshold levied based on the absolute value of an individual's assets.



23 The Guardian (2023), 'Tax us now': ultra-rich call on governments to introduce wealth taxes, https://www.theguardian.com/business/2023/jan/18/tax-us-now-ultra-rich-wealth-tax-davos

Wealth taxation, when integrated into broader policy reforms, has the potential to transform societies and uplift marginalized communities, especially African women, from the burdens of inequality. Recent data presented by Oxfam[24] underscores the potential wealth that could be generated by implementing a wealth tax system. According to their findings, a progressive tax structure involving a 2% "direct" tax on millionaires, 3% on individuals with wealth exceeding $50 million, and 5% on billionaires would yield an estimated $2.52 trillion annually. By levying higher direct taxes on the wealthy and redistributing those resources towards social welfare programs like, education, healthcare, and infrastructure, this amount would be enough to lift 2.3 billion people out of poverty and improve public service delivery for the citizens of low and lower middle-income countries.

However, failure to mobilize sufficient revenue only works to justify the adoption of damaging policy actions such as austerity. In the face of austerity, women are significantly impacted as they heavily rely on public services to sustain their lives and communities, and are burdened with subsidizing the state in providing essential services. This occurs because within Africa the responsibility of paid and unpaid care work is gendered, classed and in some cases racialized. As such, the ineffectiveness in the delivery of these public services disproportionately impacts women, the poor, and people of color.

24 Ibid.

Consequently, several countries have proposed while others are already in the process of implementing a wealth tax, notably [25]:

a. Spain applies a **wealth tax** payable on the total net value of an individual's asset exceeding €1 million. This tax follows a progressive structure, with rates spanning from 0.2% to 3.5%. It incorporates exemptions for primary residences and specific business assets. Additionally, starting in 2023, Spain has introduced the **Solidarity Tax** as a supplementary component to its existing wealth taxation system.. The Solidarity Tax aims to standardize the tax on high net worth individuals whose assets exceed a value of €3 million.

b. Switzerland has had a **wealth tax** in place for many years, which applies to individuals with a net worth of over CHF 100,000. The tax is levied by the cantons (states) rather than the federal government, and rates vary widely between cantons. The paradox of Switzerland's identity as a tax haven and its implementation of a wealth tax raises questions about the country's true commitment to financial fairness and social equity. While Switzerland has long attracted individuals and businesses seeking favorable tax treatment and financial privacy, we are of the view that its implementation of a wealth tax might appear as a mere cosmetic measure to address growing concerns about wealth inequality.

c. Norway has a wealth tax that applies to individuals with a net worth of over NOK 1.5 million. The tax is progressive, with rates ranging from 0.15% to 0.7%, and includes exemptions for certain assets, such as primary residences and pensions.

d. France has a wealth tax, called the **Solidarity Wealth Tax,** which applies to individuals with a net worth of over €1.3 million. The tax is progressive, with rates ranging from 0.5% to 1.5%, and includes exemptions for primary residences and certain business assets.

e. Argentina has a wealth tax, called the **Solidarity Contribution,** which applies to individuals with a net worth of over ARS 200 million. The tax is progressive, with rates ranging from 2% to 3.5%, and includes exemptions for certain assets, such as primary residences and productive assets.

f. Colombia introduced a new permanent **wealth tax** which is applicable to individuals whose net worth as of January 1st, 2023, exceeded 72,000 UVT. This net worth calculation is based on the overall value of possessed assets minus outstanding liabilities and

25 Latif L (2023). Extract taken from Latif, L, 'Scoping Analysis on Wealth Taxation', UNDP.

debts. The tax is applicable to all assets worldwide for individuals residing in the country, whereas nonresident individuals are solely taxed on their Colombian assets. The tax rates follow a progressive structure, with rates of 0%, 0.5%, or 1%, being imposed on individuals whose net worth surpasses 239,000 UVT. Additionally, a temporary rate of 1.5% was imposed starting January 2023 to 2026 on assets exceeding 239,000 UVT.

In Africa, efforts are also underway to impose a wealth tax. So far, institutional frameworks are being established to define the elements of this tax. In South Africa for example, proposals have been advanced to introduce a wealth tax. The proposal is that all natural persons who are provisional taxpayers and who have assets above 50 million Rands, will be required to declare specified assets and liabilities at market value in their 2023 annual tax returns.[26] In 2015, Uganda established a High Networth Individuals Unit as part of the Large Taxpayers office within the Domestic Taxes department of the Uganda Revenue Authority (URA)[27] to enhance tax compliance and oversight over individuals with significant wealth. A wealth tax is important especially in countries like South Africa where historic wealth inequality has remained stable at extreme levels since the end of the apartheid regime. South Africa is also the most unequal country in the world, with the top 1% richest people owning more than 55% of wealth while the poorest 90% only own 14%[28].

26 Ernest and Young (2022). South Africa's Minister of Finance proposes further disclosure of wealth I EY - Global, https://www.ey.com/en_gl/tax-alerts/south-africa-s-minister-of-finance-proposes-further-disclosure-of-wealth

27 Kangave Jalia, Nakato Suzan, Waiswa Ronald, Nalukwago Milly, and Zzimbe Patrick (2018). What Can We Learn From the Uganda Revenue Authority's Approach to Taxing High Net Worth Individuals? ICTD Working Paper 72, Available at SSRN: https://ssrn.com/abstract=3120579 or http://dx.doi.org/10.2139/ssrn.3120579

28 Aroop Chatterjee, Léo Czajka, Amory Gethin (2021). Wealth inequality in South Africa, https://wid.world/document/wealth-inequality-in-south-africa-wid-world-working-paper-2021-16/#:~:text=Ownership%20is%20not%20only%20 polarised,almost%20a%20third%20of%20wealth.

African countries have suffered the brunt of revenue losses to a tune of more than $483 billions due to tax evasion by multinational corporations, corruption by affluent individuals, and resource extracted through exploitation and unfair compensation by the Global North.

While these examples illustrate various approaches to wealth taxation, it is important for us to pay closer attention to Africa's context and therefore approach the question of wealth taxes in light of its historical and current reality, and the growing global inequality.

3.1. A Pan African Feminist Primer for Wealth Taxes

Currently, Africa loses approximately $88.6 billion in Illicit Financial Flows (IFFs) annually, with the majority of this money flowing into rich nations.[29] "IFFs and corruption are inhibiting Africa's development by draining foreign exchange, reducing domestic resources, stifling trade and macroeconomic stability and worsening poverty and inequality"[30]. Inequality has been especially evident in mineral-resource-rich countries in Africa due to unfair contract deals in the mining sector. Meanwhile, according to World Bank estimates, Africa could be home to 90% of the world's poor by 2030[31].

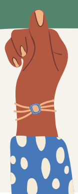
29 UNCTAD (2020) Tackling Illicit Financial Flows for Sustainable Development in Africa. https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf
30 Ibid.
31 Prinesha Naidoo (2019). Africa May Have 90% of the World's Poor in Next 10 Years, World Bank Says. https://www.bloomberg.com/news/articles/2019-10-09/africa-may-have-90-of-the-world-s-poor-by-2030-world-bank-says

This situation has been influenced by neoliberal capitalist ideologies that promulgate liberalization, deregulation, and privatization championed and endorsed by International Financial Institutions (IFIs). Consequently, African countries have suffered the brunt of tax evasion by multinational corporations, affluent individuals, and countries in the global north resulting in an estimated annual loss of $483 billions[32] in tax revenue through extraction and exploitation of Africa's resources. According to the Tax Justice Network, of the $483 billion lost annually, $312 billion is lost due to cross-border corporate tax abuse by multinational corporations and $171 billion is due to offshore tax abuse by wealthy individuals[33]. Simultaneously, the combination of rising global inflation and extreme inequality is placing a significant strain on African government budgets which in effect increases the tax burden on people through stringent personal and consumptive taxation to generate revenue.

Moreover, the erosion of states' sovereignty through corporate capture has also meant that powerful corporations and affluent individuals can compel states to reduce their tax obligations under the banner of "creating an enabling environment" to attract and or foster more investments. Consequently, African nations find themselves grappling with the inherent deficiencies of a tax framework, evident in its regressive nature that invariably results in significant cutbacks to public services and social protection systems.[34] In the face of such complex challenges, the adoption of wealth taxes emerges as a compelling avenue to promote equity, raise the much needed revenue to finance African countries' development needs, and contribute tangible steps towards addressing both the glaring wealth disparities and the systemic issues that sustain them.

32 Tax Justice Network (2021). The State of Tax Justice, https://taxjustice.net/reports/the-state-of-tax-justice-2021/
33 Ibid
34 Latif, L. (2022). The lure of the welfare state following decolonisation in Kenya,' in G Bhambra & J McClure Imperial Inequalities. Manchester University Press.

From a Pan African feminist perspective, African governments should reimagine and adopt different approaches to taxation that seek to deconstruct the colonial, neoliberal capitalist and patriarchal hegemony that controls current global, regional, and national economic systems." For example, we must reimagine the benefits of taxation beyond the 4Rs and include a 5th R of tax as a tool for reparations, especially in the context of wealth taxation.



African governments African governments have been championing the push for a United Nations (UN) Model Tax Convention to reform the international tax system. The primary objective of this convention is to transfer the authority for establishing global tax regulations from the OECD to the UN, with the view to democratize global tax policy making. The push for a United Nations (UN) Model Tax Convention[35] aimed at reforming the international tax system. The primary objective of this convention is to transfer the authority for establishing global tax regulations from the OECD to the UN[36]. This proposed shift intends to foster a more fair and inclusive process for setting tax regulations by diminishing the influence of former colonial powers, which have historically dominated global tax rule-making since the dissolution of their empires. The transition from colonial era tax structures to a global framework that prioritizes equitable taxation will deliver tangible instruments and approaches to solving the puzzle to tax the wealthy. If implemented, this convention will lead to a significant shift in the international battle against tax evasion and avoidance by wealthy individuals and corporations. It will contribute to enhanced tax equity and

35 Eurodad (2023). Growing support for a UN Convention on Tax, https://www.eurodad.org/growing_support_for_a_un_convention_on_tax

36 United Nations (2023). 27th Session of the Committee of Experts on International Cooperation in Tax, Matters https://financing.desa.un.org/events/27th-session-committee-experts-international-cooperation-tax-matters

contribute to mobilizing substantial additional tax revenues for both developed and developing nations.

However, reaping the benefits of the UN Tax convention will significantly rely on African governments' radical decisions to pursue a total restructuring of the global economic architecture including taking bold steps to terminate and demand for the review of their DTTs while drawing inspiration from the bold steps that select African countries have terminated investment treaties. For example, in 2021, the government of Zambia terminated its DTT with Mauritius, stating that upon initiating negotiations for a new agreement, the government would aim to introduce a provision on shared taxing rights and anti-abuse clauses.[37]

From a Pan African feminist perspective, African governments should reimagine and adopt different approaches to taxation that seek to deconstruct the colonial, neoliberal capitalist and patriarchal hegemony that controls current global, regional, and national economic systems. For example, we must reimagine the benefits of taxation beyond the 4Rs and include a 5th R of tax as a tool for reparations, especially in the context of wealth taxation. This is because the majority of the wealthy have accumulated large amounts of wealth through the extraction and exploitation of people and the planet.

37 Zambia announces termination of double taxation agreement with Mauritius, https://www.ey.com/en_gl/tax-alerts/zambia-announces-termination-of-double-taxation-agreement-with-mauritius

4. Feminists for Wealth Taxes Now

When the wealthy do not pay their fair share of taxes, countries particularly in Africa that already suffer shrinking fiscal space[38] struggle to raise revenue to provide essential public goods and services for their population, especially the most vulnerable. Therefore, to address the intricate web of gender inequality and economic disparities prevailing in society, this section seeks to elucidate a number of actions from an African feminist perspective. These actions resonate with the call for wealth taxation, which stands as a potent tool to rectify entrenched wealth disparities. Each action underscores the significance of integrating wealth taxation into broader policy changes that not only tackle inequality but also resonate with the aspirations of African feminists for a just and equitable society. As we delve into the following vital actions, their interconnectedness with wealth taxation and its potential to usher in transformative change will be highlighted:

- **The existing DTTs often provide avenues for tax avoidance, perpetuating wealth disparities.** To counter the effects of the loopholes in double taxation treaties inadvertently enabling tax avoidance and perpetuating wealth disparities, countries should review and amend existing treaties to close such loopholes, strengthen anti-avoidance measures, enhance information exchange, and adopt global transparency standards. Collaboration with international organizations and a focus on progressive tax reforms, combined with regular monitoring and public awareness, can collectively contribute to a fairer and more equitable global tax system, reducing

38 John Agbonifo (2023), Overcoming Shrinking Fiscal Space and Fragility in Africa Recapturing Ungoverned Social Spaces for Post-COVID 19 Recovery and Social Protection,, https://www.un.org/osaa/sites/www.un.org.osaa/files/6._john_agbonifo_presentation_feb_23.pdf

wealth disparities. This aligns with the essence of wealth taxation, as redistributing wealth more equitably necessitates curbing tax evasion strategies.

- **Remove unfair tax incentives and exemptions:** This will ensure that those who are financially capable contribute their fair share. However, the existing system provides relief to those who can afford it and places a heavy burden on those who cannot.

- **To alleviate the tax burden on individuals with limited means,** it is advisable to shift away from regressive tax policies that primarily rely on value-added tax (VAT) and instead adopt more progressive measures, such as implementing wealth taxes.

- **African states should adopt a decolonial approach to taxation.** This can be done through several concrete steps. First, these nations can conduct comprehensive reviews of their existing tax systems to identify any historical biases or loopholes that perpetuate wealth disparities. Second, they can actively engage in international discussions

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and negotiations to advocate for fairer tax policies on the global stage, such as pushing for reforms in international tax law to prevent profit shifting and tax evasion. Additionally, African countries can invest in strengthening their tax administration and enforcement capabilities to ensure that wealth taxation is effectively implemented without loopholes. Moreover, they can prioritize transparency by creating beneficial ownership registers and collaborating with other nations to share financial information. Finally, public awareness campaigns and educational initiatives can help citizens understand the importance of wealth taxation in addressing inequality and encourage compliance. By taking these practical measures, African nations can among other things, secure compensation for historical injustices and rectify the current unequal distribution of wealth against African states.

- **Recognise wealth taxes as a critical source of new and additional climate finance**. Wealthy corporations are responsible for significantly contributing to global climate change. Yet, their countries have since 2009, when they committed to deliver US$100 billion to support developing countries to cope with climate disasters, failed to meet

Second, they must reimagine the benefits of taxation beyond the 4Rs of revenue generation, repricing of goods and services, redistribution, and representation, and demand the inclusion of reparations as the 5th R, especially in the context of wealth taxation. This is because the majority of the wealthy have accumulated large amounts of wealth through the extraction and exploitation of people and the planet.

this long-standing obligation. But, the COVID-19 pandemic showed us how quickly huge sums of money can be mobilized when developed countries have the political will to do so. Instead, the existing payment gap for the now 14-year-old promise is being compounded by the poor quality of financial transfers of which majority are loans, and the fact that most of the funds provided are also not new and additional. A wealth tax imposed by developed countries would help to raise new and additional climate finance, and consequently eliminate the adoption of so-called innovative finance for climate response such as debt for nature swaps and blue bonds which are debt instruments that include debt buybacks and debt restructuring and do not extinguish debt but rather worsen it.

- **Establish social safety nets and support mechanisms:** This recommendation proposes that the revenue generated through wealth taxation should be allocated to establish robust social safety nets. By ensuring that marginalized communities, including African women, benefit directly from revenue generated through wealth taxation. This recommendation reinforces the broader African feminist perspective of creating an equitable society that uplifts and supports historically marginalized groups.

5. Conclusion

In conclusion, this paper seeks to underpin the profound recognition of the pressing need to confront and rectify current wealth inequality and the challenges that come with it. The cost of wealth inequality cannot be overstated. It is deeply rooted in our societies and will thus require dismantling the bedrock of policy elements that systematically facilitate the accumulation of wealth by a smaller proportion of the world population. African states must reclaim their taxing rights as a fundamental "right to development" and further demand for a fairer global economic playing field to counteract the persistence of economic disparities against this populace.

To gain a deeper insight into this timely topic of wealth taxes from a Pan African feminist perspective, listen to our latest podcast episode! Join us as we delve into the complexities of wealth redistribution, gender and economic disparities, and the impact on marginalized communities. Tune in on SoundCloud to listen to our podcast on "Exploring feminist perspectives on wealth taxes" **Part 1** and **Part 2**. Happy listening!

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