Journal of
Taxation and Regulatory Framework

Volume 5, Issue 1, 2022
(January-June)
DOI (Journal): 10.37591/JTRF

http://lawjournals.celnet.in/index.php/jtrf/index

Research JTRF

International Tax Cooperation (a Coercive Reality Telling on Global South): African Group Resolution for New UN Tax Compact—Quick Shuffle from Convention to Cooperation

Muhammad Ashfaq Ahmed[1,*]

Abstract

The African Group Resolution entitled United Nations Convention on International Tax Cooperation moved at the General Assembly on October 10, 2022, ended up getting modified and adopted as Promotion of International Tax Cooperation at the United Nations, on November 23, 2022, in consequence to the deliberations at the Second Committee. The travel of the resolution from convention to cooperation is reflective of deep-rooted simmering fissures between "global haves" and "global have-nots". The fissures between the Global North and Global South, contextually, stem from an unjust international taxes system that awkwardly sits on lopsided allocation of taxing rights, manipulable mechanisms of taxation of MNCs, protected tax haven, purchasable tax residency, and IFF-compatible-legal infrastructures. The Global South's biggest quandary is their semantic occupation by a system of language straddling on law, tax, accountancy, finance, development, and diplomacy, which practically incapacitate them to think beyond the set conceptual confines—euphemistically dubbed as international tax cooperation. This paper, primarily written from the Global South's perspective, is singularly geared to unravel the coercive implications of the international tax cooperation starting with the ECOSOC Resolution 1273 of 1967 to the African Group Resolution, and beyond into the future. At some level, it looks to set Global South's agenda of engagement with Global North, urging to avoid pitfalls, forge unity in ranks, attain semantic liberation, "realistically" strategize, and take positions as a collectivity of states.

Keywords: African group resolution, domestic resource mobilization, international tax cooperation, model tax convention, UN tax convention

***Author for Correspondence**
Muhammad Ashfaq Ahmed
E-mail: Muhammad.ashfaq@fbr.gov.pk

[1]Ex-Chairman, Federal Board of Revenue, Pakistan, and Currently Member of the UN Tax Committee, Islamabad, Pakistan

Received Date: January 16, 2023
Accepted Date: January 19, 2023
Published Date: January 27, 2023

Citation: Muhammad Ashfaq Ahmed. International Tax Cooperation (a Coercive Reality Telling on Global South): African Group Resolution for New UN Tax Compact—Quick Shuffle from Convention to Cooperation. Journal of Taxation and Regulatory Framework. 2022; 5(1): 30–50p.

SECTION 1: INTRODUCTION

The African Group at the United Nations[i] (UN) in October 2022 moved a Draft Resolution at the General Assembly seeking its sanction to initiate a set of measures that would lead to the establishment of a "United Nations Convention on International Tax Cooperation". The Resolution was preceded by the launch of the European Network for Debt and Development (Eurodad)'s Draft UN Tax Convention[ii] [1]. The proposed UN Tax Convention shall supplement (or replace) the existing international taxes system that was created by the League of Nations (LN), developed by the

Organization for Economic Cooperation and Development (OECD) for developed countries, and then meekly adopted by the UN for developing countries.

The Draft Resolution comes in recognition of the widely accepted reality that the existing international taxes system which inherently carried a pro-developed country bias, is prone to misuse by multinational corporations (MNCs), high net worth individuals (HNWIs), and other non-state operators, at will, and with impunity [2–15]. It has been estimated that MNCs cost US$ 483 billion annually to national exchequers around the globe with maximum brunt being borne by low- and middle-income countries [16]. Similarly, nearly 40 percent of total worldwide annual MNC profits get siphoned off to tax havens [17]. It was also projected that US$ 10 trillion had been held offshore anonymously by HNWIs, and US$ 1 trillion in profits were shifted by MNCs across borders [18]. It goes without saying that when syndicated tax evasion takes place with or without the contingent illicit financial flows (IFFs), both developed and developing economies suffer, but the latter end up holding the dirtier end of the stick.

System Fixation—Failure

The Global South states, being direct victims, were always aware of the loopholes in the system and their misuse by MNCs, and HNWIs—rather remorselessly. On the flipside, the Global North states were also aware of what had been going on right under their nose yet did not bother to make a move to fix them until they themselves started to feel the heat [19]. The OECD have not been able to successfully refix and rehabilitate the system even after dogged efforts of over a decade, under the base erosion and profit shifting (BEPS) project. Although, the BEPS was, later on, expanded to take into fold quite a number of developing countries as well under the so-called Inclusive Framework, [20] yet apart from being unsuccessful, it continues to be an initiative exclusively of, for, and by the developed countries, hence of little relevance and interest to the Global South. Mansour is of the view that the OECD’s sustained failures are the result of “a combination of entrenched private sector lobbying, opposition from the OECD members that rank among the world’s biggest enablers of abuse on the Corporate Tax Haven Index [21] and Financial Secrecy Index, [22] and the organization’s inability to offer a meaningful voice to lower income countries [23].”

It may be added that though *tax base erosion* is definitely a problem confronting developing countries, yet their bigger existentialist challenge is that of *tax base loss*—bargaining away of their taxing rights on incomes generating within their own sovereign territorial jurisdictions by signing of double taxation conventions (DTCs) rather recklessly. The contradistinction that while *tax base erosion* is a problem of the Global North, the *tax base loss* is the problem of the Global South, lies deep down the heart of this article.

Resolution Backdrop

In fact, this is not the first time that the demand for a UN Tax Convention has made rounds. The UN High Level Panel on Financing for Development, in 2001, proposed a comprehensive overhaul of the international tax order through the establishment of an International Tax Organization, which would also be of great importance to develop and implement innovative sources of finance if they were agreed upon by the international community [24]. The proposal was opposed by the OECD member states and other stakeholders alike [25]. While academics and researchers continued to fiddle with the idea for almost two decades, the demand for a binding UN Tax Convention was not re-floated until the African Group, the Group of 77, and China moved it at the UN in 2019.

The UN high level panel for financial accountability, transparency and integrity (FACTI Panel) ended up lending support to a binding UN Tax Convention in 2021 [26]. The South Centre—an intergovernmental organisation of developing countries linked to the UN—also endorsed the proposal for a UN Tax Convention in 2021, supplying it the needed traction [27]. The World Economic Forum, in a report released in 2021 identified a binding UN Tax Convention as a key policy pathway to fundamentally transform the international economy [28]. The UN Secretary General, in a report presented to the General Assembly in 2022, echoing the Economic Commission for Africa's narrative, pressed upon the need to initiate deliberations for a binding UN Tax Convention with the aim of arresting the menace of international tax evasion [29]. The report reiterated a need for "political leadership" to overhaul the "patchwork" of existing treaties and measures to tackle global tax abuse and illicit financial flows with a "legitimate global system of laws, consistent with the principles set out in the United Nations Charter," and pointing to the role of a UN convention in meeting this need [30].

International Tax Cooperation—Centrality

Intriguingly, the bedrock of the African Group Resolution is the international cooperation or to be more precise international tax cooperation. It is premised that the term "international tax cooperation" is hierarchically loaded and underpinned by significant fiscal stakes. It is an open-ended construct and means differently to different actors, states, and clusters of states—particularly those falling in Global South and Global North. The construct has historically been used as an effective tool of promoting neo-colonialism by netting developing countries into binding sovereign international agreements—DTCs, international investment agreements (IIAs), and free trade agreements (FTAs). Contextually, the OECD building upon the League of Nations' work on international taxes ended up developing an MTC in 1963 for developed countries. It has been argued that the OECD MTC was apprehensively viewed as an intra-developed world affair by developing countries as they did not scramble to negotiate and convert the MTC into DTAs at a bilateral level for a good time. Thus, leveraging the framework of "international cooperation", the UN was instrumentalized into developing UN MTC for developing countries—in essence, retaining the fundamental principles of allocation of taxing rights [31].

Against such a contentious backdrop, the paper looks to explore into an inter-related set of seven premises, namely:

i. That, international cooperation has historically been used by the Global North as a subterfuge to give traction to and promote international tax agenda on the Global South.
ii. That, the Global North's conception of international tax cooperation expressly covering formulation of MTCs, allocation of taxing rights, conversion of MTCs into DTCs, strengthening of exchange of information (EOI) regime, streamlining mutual agreement procedure (MAP) framework, and extending official development assistance (ODA), and technical assistance (TA) in developing countries tax administrations has been accepted and shared by the Global South.
iii. That, the fragile shared understanding is in constant jeopardy of getting disturbed as the Global South states continually try to broaden its scope to also cover, say, an intergovernmental tax organization, a binding UN Tax Convention, or even upgradation of the pre-existing UN Tax Committee—leading ultimately to re-allocation of taxing rights and mechanism of taxation of MNCs, HNWIs, and other non-state operators.
iv. That, the Global North reacts and responds to any such overtures by the Global South forcefully, unequivocally, and collectively to reassert and restore the status quo for another length of time.
v. That, the Global North over the past 100 years have systematically developed a complete system of constructs straddling on law, tax, trade, accounting, finance, investment, development, and diplomacy, which imperceptibly underpins international cooperation, and helps Global North promote its economic agenda on the Global South.
vi. That, the Global South having been conditioned into conceiving the reality in the same very hierarchically oriented system of constructs, which reinforces international tax cooperation—effectively suffers from paradigm paralysis, with the African Group Resolution itself being its typical manifestation.
vii. That, the Global North strategically plans and continually comes up with strategies to not only preserve but enhance the fiscal gains in the international taxes arena by projecting liberalism but pursing hardcore realism, with international tax cooperation being a cog in the wheel of the latter.

Opportunity—Importance

The African Group Resolution, with the possibility that it opens of a Tax Convention under the UN framework, places developing countries at a crossroads as far as the international taxes system is concerned. If they turn out to be gullible yet once again, developed countries would have their way to avail the opportunity, make deft maneuvers to reorder the new system in such a way so as to suit their MNCs and HNWIs enabling them to maximize their gains from the developing market jurisdictions in an ever-globalizing economy. If, however, the Global South states are vigilant and up to the challenge, they might be able to have the international taxes rules reset in an equitable and just fashion—at least, for the future. The African Group Resolution has evoked a mixed reaction amongst stakeholders in that most developing member state missions at the UN are found alienated whereas their tax administrations keenly concerned which dichotomy may be because of the fragmented and compartmentalized governance structures back in their capitals. Contrarily, developed countries' governments are found visibly reactive and edgy with their inter-governmental or umbrella organizations—OECD, ICC—visibly concerned. It is understandable that the international tax justice champions are rather overly euphoric. It is imperative that these reactions are properly contextualized, and the African Group Resolution, the Eurodad Draft Tax Convention, and other identical proposals made by various institutions, are adequately dissected primarily from the Global South's lens to do agenda setting and devise a course of action for developing countries.

Scheme of the Article

The article is divided into seven sections. After Section 1 has introduced the subject, Section 2 tries to develop a theoretical framework in order to provide scaffolding to the debate surrounding international tax cooperation. Section 3 takes stock of politics of international tax cooperation providing a selective peep into a few attempts by the Global South seen as disturbing the status quo on its shared meaning and were thwarted decisively. Sections 4 and 5, primarily from the Global South's perspective, undertake a critical dissection of the African Group Resolution and the Eurodad Convention, respectively. Section 6 stock-takes the current status of the resolution and charts out the course of action for developing countries before Section 7 sums up the debate.

SECTION 2: THEORETICAL FRAMEWORK

The quintessence of the African Group Resolution is "international cooperation", which ostensibly implies that all matters pertaining to international taxes could be deliberated upon and settled within the framework of "international cooperation". What is "international cooperation?" Etymologically, the word "cooperation" stems from the Latin "cooprari," which means "working together." The expression "cooperation" can operationally be defined to connote any "act of working together to one end [32]." In popular parlance, cooperation is taken as an "opposite of competition**,**" [33] which implies an act of "seeking or endeavouring to gain what another is endeavouring to gain at the same time [32]." In actuality, "international cooperation" being essentially the post WWII phenomenon, is the modern framework of conducting international diplomacy and inter-state relations. It follows that "cooperation" and "competition" are opposing phenomena to each other, and there is a trade-off between the two—plausible impossibility of co-existence. It has also been stipulated that "the relationship between 'competition' and 'rivalry' implies a certain level of 'cooperation,' in the former to maintain the 'rules of the game" [34].

International Taxes Regime—Nature

In order to garner a holistic cognition of reality, it would be appropriate to juxtapose an international taxes regime inside the broader discipline of international relations. Baistrocchi, while examining the international taxes regime within the context of global power shifts, premises that it "is a decentralized network market that has set jurisdictions in competition for capital, residents, and tax revenue," and "is enforced via a decentralized network of local courts [35]." The international taxes regime, in an intra-state context, attains acceptance and legitimation from the hegemonic power—the state. In Baistrocchi's model, the hegemon is self-serving, and "has the incentive to pursue the interests of its multinationals. The hegemon exploits taxing rights allocation rules "through which it persuades other countries to accept a set of rules that makes it harder for them to tax the hegemon's capital [36]." The fiscal justice system of the hegemonic state might also have the incentive to devise laws and adjudicate cases in such a way to favour the position of their own jurisdiction as against the competing jurisdictions on the same tax base and same tax persons [37]." He posits that the pivot of the international taxes regime now was the OECD MTC, which purportedly had attained the status of "soft law" and was "the template for over 3,000 bilateral tax treaties linking most countries from all continents [38]." At some level, Baistrocchi unintendedly ends up raking into the source of friction between the OECD and the developing nations [31].

Cockfield takes the OECD as an "informal…world tax organization" that "emphasizes deliberation, consensus-building, and the use of non-binding mechanisms" [39]. He believes that soft institutions provide "a forum for actors to negotiate non-binding rules," and "principles, instead of binding conventions," as well as requisite flexibility to actors, including the private sector, to implement the consensus" [40]. He amplifies that non-binding institutional approach of the OECD is better equipped to promote the interests of its members by "reducing tax obstacles to international trade and investment…" simultaneously "protecting tax sovereignty" [41]. He heralds that "calls for a more formal…World Tax Organization, which could impose binding tax rules on participating nations, may be misplaced" [42]. Cockfield's assertion runs counter to the long-standing aspiration and demand as also reflected in the Zedillo Report 2001, for the establishment of an Intergovernmental Tax Organization within the UN framework. Rixen argues that "politicization—which is a very recent phenomenon in international taxation," in fact, "results from a governance gap" [43]. Echoing Cockfield, he glorifies the OECD's superiority in that the governments that were "loath to submit" to codification of "rules in a multilateral double taxation agreement, have now reached "a non-binding agreement" in the shape of the OECD MTC, which is "the international de facto standard for double taxation avoidance" [44]. Hearson, in the same vein, argues that "globalisation has intensified these conflicts, developed countries, acting primarily through the OECD, have elaborated an increasingly detailed global tax regime,"…which "combines multilateral 'soft law' in the form of a set of core principles…with the hard law of bilateral treaties" [45].

Siitonen's Typology

Siitonen believes that the international system is "organized in terms of anarchic hierarchy," and is only able to function temporarily peacefully because of two mechanisms: (a) *balance of power*, which discourages conflict; and (b) *hegemonic leadership*, which facilitates cooperation [46]. He goes on to develop a typology of four modes of goal-oriented actions within the broader framework of rational actor interactions, that is:

1. *Cooperation:* Denoting the situation where the goal is common to which the entire interaction is directed.
2. *Assistance:* Denoting the situation where the goal is common and the dominant actor's action is directed to assisting the dominated actor and making him realize his own goals.
3. *Competition:* Denoting the situation where the goal is common, but it is not shared by the competing actors.
4. *Rivalry:* Denoting the situation where the goal on part of one actor is geared to hinder the other from attaining his goal [47].

Although contextually (a) is critically important yet (b), (c), and (d) also kick in to galvanize the comprehension of these interlocking phenomena. In fact, "cooperation" and "assistance" at the international level go together, and the former, in most situations, executes itself through the latter. At some level, from the Global South's lens, more demons are cast in "assistance" than in "cooperation," since it can involve agenda-setting, reordering of priorities, dependence, and even subtle predation.

Siitonen's Typology—Gaps

Contextually, while amplifying "assistance," Siitonen makes a couple of contentious stipulations, namely, that (a) under "assistance" goals do not have "to be common or shared," and it is just sufficient "that the goals of the recipient are accepted by the donor," [48] and (b) "in cooperation, not only goals, but also certain resources are shared together by the participants" [49]. In reality, however, both "international cooperation" and "international assistance" having been rendered tools of neo-colonialism on the Global South, do not lend credence to Siitonen's two assertions. The "assistance," lately does not imply acceptance "of the goals of the recipient…by the donor," but diametrically the opposite, that is, acceptance of donor's conditions by the donee or the recipient. There is little doubt that behind the garb of "international assistance" neo-colonial agenda have consistently been advanced.

Likewise, when it comes to "international cooperation," it no more means sharing of "certain resources…together by the participants;" it rather implies grisly monopolization of resources of the weaker partners in the equation. The way international tax cooperation as panned over the past hundred years, means contriving (MTCs) as a "soft law," then steering weak, cognitively underdeveloped, low- and middle-income countries onto the negotiating desk and fully coercing them into surrendering taxing rights for elusive gains on various counts. A plausible counterargument has been made to the effect that "no cooperation can rise out without the desire of partners to cooperate" [50]. True; but then reciprocity is touted without ever unravelling its coercive layer—what it implies is that de jure equality if not backed up by de facto equality borders on extortion, contextually. Although, the Global North deliberately engages with the Global South and operate international cooperation via the frame of law, and not of political economy, yet a look at the international tax cooperation from the political economy lens could provide interesting insights.

International Political Economy—Context

International tax cooperation as broadly understood and currently in vogue could be interpreted differently by different academic, intellectual, and political economy schools of thought. Liberals, for instance, would defend it as a developmental ploy reinforcing globalization [51]. Marxists, on the other hand, would postulate that international cooperation only legitimizes the international economic status quo and promotes the embedded economic inequality [52]. Neo-Marxists, in turn, would induct the instrumentalist notion to underscore the capture of developed western economies by the capitalists giving traction to internationalization of capitalism wrapped in international cooperation [53]. A constructivist would tend to equate it with a system of capitalist interactions in which constructs are contrived, meanings are associated, and socially accepted norms are created to smoothen the real world transactions [51]. The realist, however, would postulate that the international system reflected raw power politics in the international fiscal domain in its most naked and brute form, and that international cooperation was inducted only to camouflage and soften its exploitative coercion [54]. The paper tends to agree with the realist viewpoint and analyze international tax cooperation under it.

Realism at Work

Theoretically, the state is taken as a moral, unemotional, rationally acting, interest-maximizing leviathan, and any deviation on these counts is to be treated as an aberration. The altruistic posturing and projection of international tax cooperation when dissected with a realist knife does not hold. The literature also "rejects international obligations other than the pursuing of national interests," and focuses "rational calculation of national interests as the main determinant of cooperation and conflict among nations [55]." Karlsson emphatically observed:

> *"But co-operation is, as is well known, only the reverse, positive side of conflict, and ... what in the parlance of politicians is called "co-operation" in reality quite often is nothing but a euphemism for the new forms of power struggle, or the dominance of richer and more powerful nations over poorer and weaker. Thus, the study of economic cooperation through the facts which have been unearthed has itself become a study of international economic power" [56].*

The deft interplay between public liberalism professed by Global North and brute realism silently pursued by them has succinctly been captured by Abebe et al., who state that "when diplomacy and the need for global governance action intersect, the same organizations that worked together … (the OECD, United Nations, and prominent regional organizations)—and the governments they represent—often fail to agree on the most pressing international tax issues challenging both developed and developing countries," and those "who come out on top often end up undermining the goals set out" [13]. Hearson extends, "the role of ideas in international tax relations to the double taxation problem, to argue that the tax treaties myth is socially constructed," and grounded "in the idea of international fiscal anarchy" [57]. He goes on to stipulate that the "ideas support an agenda in the interests of developed countries," whereby, as consequence to 'regressive redistribution' of tax revenue…the benefits accrue primarily to multinational firms resident in developed countries" [58].

Thus, while it may be safe to posit that states being rational actors do not cooperate due to any altruistic instincts or motives but self-interest, it needs to be seen if on any previous occasions, international tax cooperation was leveraged by the developed countries to promote their economic agenda at the expense of the developing ones. Likewise, it would be educative to appraise the Global South's efforts to disturb the consensus on shared meaning of the international tax cooperation and the Global North's reaction to such overtures.

International Tax Cooperation—Semantic Consensus

The accepted meanings of international tax cooperation, shorn off all additives, including the development of international tax rules by the OECD in the form of OECD MTC, and principles of transfer pricing, and tax transparency framework, egging the UN into validating the former with minimal alterations, shaping the international intellectual scene by projecting DTCs as the fast lane to economic progress, and then wheedling developing countries into negotiating the DTCs, that is, converting the soft law into hard law. There has been a growing realization that the "soft law" approach was harmful to developing countries' interests as it has not only resulted in tax base loss—bargaining away of tax base by reckless signing of DTCs, but also tax base erosion—misuse of DTC provisions to indulge into syndicated tax evasion. The pressure mounted on this count is managed and released by bringing in enhanced tax transparency and exchange of information framework. Thus, any efforts by or on behalf of the Global South to make a major dent into this semantic consensus is viewed apprehensively and reacted to strongly by the Global North.

SECTION 3: SINISTER REALITY OF INTERNATIONAL TAX COOPERATION

The paper premises that the Global North strategically inducted international tax cooperation into its toolkit and effectively utilized it to camouflage allocation of taxing rights under the DTCs, a facilitative, and at times even a preferential regime for their MNCs, and remorseless pursuance of a tax agenda on the Global South. This section parsimoniously gleans on a few important events in international tax affairs and critically appraises them to lend credence to the premise.

International Taxes Arena—UN's Entry

It was through the ECOSOC Resolution 1273 of 1967 that the UN entered the dicey terrain of international taxes. The operating philosophy of Resolution 1273 meaningfully entitled "Tax treaties between developed and developing countries," and passed on August 4, 1967, was international cooperation, too [59]. Apparently, the UN's indulgence in international taxes was altruistic in tone and tenor to help developing countries grow economically and lift their populace out of poverty, but a closer scrutiny of what happened and the way it happened, betrays contrary considerations. In fact, the UN was used as an instrument on this occasion [31].

It has been posited that the capitalist heartland, Europe and North America, when brimming with investible capital, transferable technology, and exportable finished and capital goods towards the 2nd half of 20th century, it needed an international legal infrastructure laid out that could guarantee export of goods at reduced or zero duty, protection of capital invested offshore, and repatriation of profits at low or no tax in the source state. An umbrella concept "international economic cooperation" was contrived to cover diverse sectors—tax, trade, and investment, and work on all three prongs got underway with vigor.

The UN Secretary General, fulfilling the resolution mandate, quickly moved to constitute an ad hoc group (AHG) of experts in early 1968 comprising 18 tax experts, out of which, 11of them happened to be from the (current) OECD member states, and only 7 from developing countries[iii]. The AHG was tasked to study the "tax treaties between developed and developing countries… in the context of the special economic relationship" in order "to facilitate trade" and "promote foreign investment in developing countries" [60]. Intriguingly, when deliberations to devise the roadmap for the AHGs work started, only "two members felt…that despite the merits of the OECD Model, entirely new solutions based on primary taxation by the source country must be sought," and that they were not hopeful that "the task entrusted to the Group could be accomplished satisfactorily merely by revising the contents of the Model [61]." Thus, putting aside all norms of justice and fair play, counter-majoritarianism was bulldozed, and the UN ended up rolling out its MTC 1981, essentially UN-izing the OECD MTC 1963. This function is currently performed by the UN Tax Committee (UNTC) on an ongoing basis.

Ahmed emphatically opines that the UN was instrumentalized into the act, since the OECD MTC, after its roll-out in 1963, had encountered serious difficulties in getting converted into DTCs by developing countries as the OECD was justifiably considered a forum of colonizing nations and apprehensively viewed at by the previously colonized nations. He stipulates:

> *"When developing countries did not scramble to sign the OECD MTC-based DTCs, the UN was leveraged and projected as ultimate benefactor of developing countries and launched to softly steer them into signing DTCs, that too, as client states" [31].*

Interestingly, as soon as the UN comes up with the UN MTC 1981, essentially validating the OECD MTC 1963, the developing countries' perception changes towards signing DTCs with other countries, particularly, the developed ones. The decade-wise data of DTCs since 1950s signed between (a) a developed and a developing country; (b) between two developed countries; and (c) between two developing countries is plotted in Table 1.

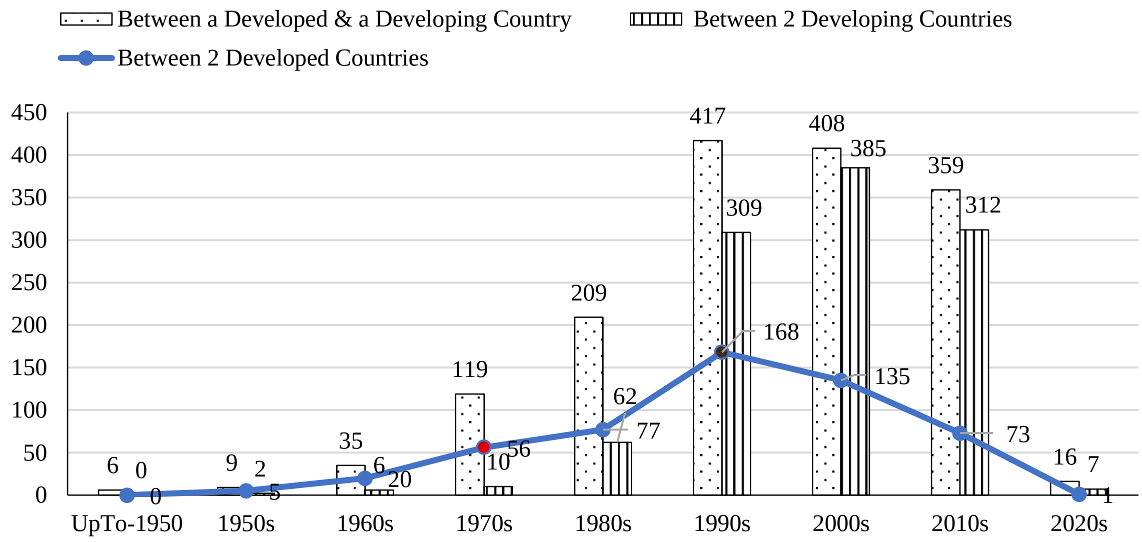
Table 1. Historical data of DTCs signing[iv, v] [58, 59].

Decade	Between two developed countries	Between a developed and a developing country	Between two developing countries	Total
1950*	0	6	0	6
1950s	5	9	2	16
1960s	20	35	6	61
1970s	56	119	10	185
1980s	77	209	62	348
1990s	168	417	309	894
2000s	135	408	385	928
2010s	73	359	312	744
2020s	1	16	7	24
Total	**535**	**1578**	**1093**	**3206**

**This includes data of all DTAs signed up to 1950.*

The tabulated data is also graphically presented for a sharper and deeper understanding of their various dimensions.

It is observed that developing countries had negotiated only 6 DTCs with their developed counterparts up until 1950. They ink another 9 during 1950s, and 35 during 1960s. However, as soon as the UN starts to transmit neo-colonialism wrapped in neo-liberalist diction and gets actively engaged with international taxes, the number of DTCs put in place shoots up to 119 during 1970s. Then suddenly, when the UN MTC 1981 rolled out, the curve picks up as 209 DTCs are signed during 1980s, 417 during 1990s, 408 during 2000s, and another 359 in 2010s. The line of the other two data categories in Graph 1 exhibits identical trends but with lesser intensity. While signing DTCs between two developed countries is explainable in terms of their being at par level of economic development, and therefore optimally able to use the OECD MTC 1963 on the basis of reciprocity. Likewise, signing of DTCs between two developing countries is explainable in terms of herd mentality and vanity agreementization on part of their rent-seeking elites [51]. It is not impertinent to mention here that developing countries majorly used the UN MTC 1981 while negotiating DTCs with developed and other developing countries [62].



Graph 1. Decade-wise data of DTCs signed.

The chickens have come home to roost. Most developing countries, over the past five decades, have shackled themselves in over 3000 DTCs of questionable credentials. This may also be a cause of twin-deficits confounding several developing nations. It may not be impertinent to point out that over the past five decades the central pillar of international tax cooperation has been to coax developing countries into signing more and more DTCs, sans any analysis of their projected utility, effectiveness, and cast-benefit analysis.

International Tax Organization

The paper posits that the Global North states react sharply, forcefully, and collectively to any overtures by the Global South aimed at disturbing the semantic consensus on international tax cooperation. The UN Secretary General's High Panel on Financing for Development headed by Ernesto Zedillo, former Mexican President, submitted its report in 2001. The Zedillo Report 2001, within the broader context of Financing for Development, touched upon the tax system in terms of (i) tax competition; (ii) taxation of MNCs; (iii) transfer pricing; (iv) information exchange; and (v) improvement of national tax systems. The report then converges on "international tax cooperation, through enhanced dialogue among national tax authorities and greater coordination of the work of concerned multi-lateral bodies…giving special attention to the needs of developing countries" as an overarching concept [63].

It was under the overlying framework of international tax cooperation that the substantive idea of establishment of an intergovernmental tax organization was floated [64]. The report posits:

> *"The distribution of the right to tax the income of a multinational corporation with operations in many different countries depends today upon complex and in some respect arbitrary conventions. The taxes that one country can impose are often constrained by the tax rates of others: this is true of sales taxes on easily transportable goods, of income taxes on mobile factors (in practice, capital and highly qualified*

personnel), and corporate taxes on activities where the company has a choice of location. Countries are increasingly competing not by tariff policy or devaluing their currencies, but by offering low tax rates and other tax incentives, in a process sometimes called 'tax degradation'. And tax evasion is greatly aided where capital earns income in a country other than that where the taxpayer resides—a fact that sometimes provides a major motivation for capital flight" [63].

The Zedillo Report noted that taxation is the "principal area of economic policy where international spillover effects are strong, but no international organisation is yet charged with addressing them, [63]" and went on to state that "these considerations suggest an important role for an International Tax Organization" [63].

Global North's Reaction

No sooner the suggestion for an intergovernmental tax organization was made, the Global North reacted with a multipronged pushback. Abebe et al. provide an excellent account of the way the Global North effectively blocks and the effort to disturb the semantic consensus on international tax cooperation on this occasion. They collected important empirical data through an extensive survey exercise with regard to three interconnected propositions, that is, (i) upgrade the UNTC; (ii) capacitate the UNTC; and (iii) do neither. It may be added that the (i) "upgrade the UNTC" was essentially akin to the Zedillo Report's proposal regarding establishment of an intergovernmental tax organization. The responses received from diverse set of countries plotted in Table 2 help generate interesting insights.

Table 2. International Tax Cooperation—Upgrading UNTC [13].

<table>
<tr><th>Countries</th><th>Upgrading UNTC</th><th>Strengthening UNTC</th><th>Do neither</th><th>Not addressed</th></tr>
<tr><td>OECD Member; Non-UNTC member</td><td>NA</td><td>Switzerland</td><td>Australia + Canada</td><td>NA</td></tr>
<tr><td>Non-OECD; Non-UNTC member</td><td rowspan="2">G-77 States + China</td><td>Kyrgyzstan + Czech Republic</td><td>Liechtenstein + Singapore</td><td>Belarus</td></tr>
<tr><td>Non-OECD member; Non-UNTC member</td><td>South Africa</td><td>NA</td><td>Kazakhstan + Montenegro</td></tr>
<tr><td>OECD member; UNTC member</td><td>NA</td><td>Mexico + Chile</td><td>Japan + US + New Zealand + EU members</td><td>NA</td></tr>
</table>

All G-77 member states and China supported the proposition to upgrade the UNTC unequivocally [13]. Intriguingly, however, not even a single "country that is also a member of the OECD (whether or not it is also a member of the UN Tax Committee) expressed support for upgrading the UN Tax Committee" [13]. The Global South's thrust to disturb the semantic consensus on this count were effectively thwarted. Thus, it is not difficult to predict that the Global North would come up with an effective pushback to the African Group Resolution as it strives to destabilize the semantic status quo, once again. It is, therefore, important that the African Group Resolution and the opportunity that it has created be adequately analyzed, and the demons that are cast within the framework of "international cooperation" are brought out so that developing countries are harkened of the looming realities lying in their way.

SECTION 4: AFRICAN GROUP RESOLUTION

The Resolution is divided into two sections: the preambular section and the operational section. The Resolution enshrines itself in the UN Charter in the preambular section, which also recognises IFFs as an "essential development challenge" because they "reduce the availability of valuable resources for financing for development" and stresses "the importance of cooperation at the national, regional, and international levels in combating" them [65]. The discussion then shifts to taxes, where it is said that "tax avoidance and tax evasion have a damaging impact on trust, the social contract, financial integrity, the rule of law, and sustainable development" [66]. The Resolution reiterates the member states' prior similar commitment to "scaling up international tax cooperation" since "there is still no one worldwide inclusive platform for international tax cooperation at the intergovernmental level[vi] [67]." The Resolution's main argument is that "all countries must cooperate to eliminate tax evasion, tax base erosion, and profit shifting, and to ensure that all taxpayers, including multinational corporations, pay taxes to governments of countries where economic activity occurs and value is created, in accordance with applicable national and international laws and policies" [68].

In turn, the operative part straddles mainly on three points. One of its directives directs the Secretary General to "start intergovernmental discussions on how to improve the inclusivity and efficacy of international tax cooperation through the assessment of alternative solutions [69]." Two, the Secretary General solicited "to prepare a report analyzing all relevant international legal instruments, other documents and recommendations that address international tax cooperation [70]." Three, the Secretary General, while preparing the report, would consult with "Member States, the members of the Committee of Experts on International Cooperation on Tax Matters, the platform for collaboration on tax, and other institutions and relevant stakeholders," and submit it for consideration of the General Assembly in its 78th session in September 2023 [71].

Resolution Adoption

The Resolution was assigned to the Second Committee of the General Assembly where it went through intense deliberations by the member state delegates trying to tinker with and improve the draft within the confines of bounded rationality, and those of their national imperatives. Astonishingly, any substantial support could not be mustered for the Resolution from developing nations with most Asian and South American countries staying on the fence. When the requisite backing to the initiative was not forthcoming from developing countries, even the few developed countries motivated by the altruistic impulse, for instance, Norway, went indecisive as to the continued support to the cause. The developing countries' lukewarm response to the Resolution could be attributable to the lack of cognition of the reality on their part, understanding of the issues involved, a shared sense of "national interest," and lack of unity. This may also be indicative of the wedge between developing member states' diplomatic position and that of their tax administrations, which have come up with rather a halcyon response to the initiative. This may be evidence of fragmented statecraft, which at some level, is both the cause and effect of underdevelopment.

The Resolution was eventually adopted unanimously on November 23, 2022, with the modified title of *Promotion of Inclusive and Effective International Tax Cooperation at the United Nations [72]*. This instant shift from Convention to Cooperation in the nomenclature means much and signifies counter majoritarian thrust by the Global North and betrays the power-propelled neocolonialism at work.

US Sponsored Amendment

The US offered a modification to the second sentence of the main clause, noting that it should "include the potential for building an international tax cooperation framework or instrument that is established and agreed upon through a United Nations intergovernmental procedure" [73]. However, the amendment was voted down by 54 votes in favor, 98 against, and 13 abstentions[vii]. Given the fact that the OECD membership stands at 38, the US bagging 54 votes in favor of the amendment, was quite extraordinary. While most OECD member states supported the US amendment, the additional votes predictably came in from their sub-state tax havens—Andorra, Cyprus, Honduras, Liechtenstein, Malta, Micronesia, Monaco, Montenegro, North Macedonia, Panama, San Marino, and Seychelles. The outlier "Yes" vote by Bosnia Herzegovina, and more importantly Kyrgyzstan is quite intriguing. Likewise, surprising absentations by Argentina, Bangladesh, Bhutan, and Turkey, and not siding with the cause of the Global South can either be ascribed to back-end diplomatic handiwork or some unexplainable particularistic national interest. The Fifth Committee's reconsideration pending, total cost projection of the initiative has been set at US$ 432,700, "representing a charge against the contingency fund" [74].

Resolution Exegesis

It has been premised that the Global North jealously guards the semantic consensus evolved on international cooperation, and any move by or on behalf of Global South to disturb it, is viewed apprehensively and responded to forcefully though "cooperatively." This subsection attempts an exegesis of the draft Resolution and its journey towards and culmination into the adopted resolution and tries to read between the lines, spot the undercurrents beneath its words, feel the unease that wrapped the entire process, and unravel the intra-pole lobbying and inter-pole tensions that are neither part of the Resolution nor were ever reported.

Resolution Title

Although, the Resolution was innocuously titled "United Nations Convention on International Tax Cooperation," which plainly meant a convention on international tax cooperation only, yet it evoked diametrically divergent response inside Global South and Global North. The former read too much into it and interpreted it to mean a binding UN tax convention possibly covering reallocation of taxing rights and the principles of their realization; hence, the euphoria in Global South, and the international tax justice community. The latter viewed it as something that militated against and disturbed the conceptual consensus on "international tax cooperation." The draft Resolution title was opposed by the USA, EU, Singapore, Japan, Korea, and Canada. Although, the African Group dug their heels, yet the opposition being fierce and by powerful developed countries, they could not hold their position. The agreement resulted in the blandly worded new title, "Promotion of Inclusive and Effective International Tax Cooperation at the United Nations [75]." The strategic deletion of the "convention" from the very title of the Resolution fundamentally changed its rationale, potential, and purpose.

Shuffle—Convention to Cooperation

Once the title had been pruned of "convention," it was only logical that all cross-references to it—whether direct or indirect—were taken out, too. The draft Resolution vide preambular para 13 had looked to reinforce an earlier resolution adopted by African Ministers of Finance, to call upon the UN "to begin negotiations under its auspices on an international convention on tax matters," received an equally stiff resistance from USA, EU, Japan, Switzerland, and UK, and resultantly the mention of the "convention" was taken out and deleted [76].

A similar request was made in the draught Resolution's operative paragraph 1 for the establishment of "an effective and inclusive international convention on international tax cooperation [77]." This reference to the "international consensus" was also deleted due to resistance by the USA, UK, Switzerland, Korea, and Singapore [75]. The draught Resolution also called for the creation of "a member state-led, open-ended Ad hoc Intergovernmental Committee under the auspices of the United Nations for the preparation of the terms of reference for the negotiation of a United Nations convention on international tax cooperation in its operative paragraph 3 [77]." This proposal was also opposed by the US, UK, Japan, Korea, and Singapore, and was accordingly replaced with a different formulation with focus on cooperation, instead. The term "international cooperation" was used 11 times in the Draft Resolution, but 21 times in the Adopted Resolution. This is indicative of the power and unity that the Global North possesses and exercises in international tax affairs, and the corresponding lack of cognition and disunity of the Global South states.

UN-izing the OECD Work

The Draft Resolution had manifestly tried to adopt an independent approach as regards the work done under the OECD umbrella [77]. However, during the negotiations at the Second Committee, deliberate efforts appear to have been made to UN-ize the OECD's work and lend it universal legitimation. While the Secretary General was mandated "to prepare a report," he was also called upon to consider and take into account "all relevant international legal instruments,…that address international tax cooperation,…avoidance of double taxation model agreements and treaties, tax transparency and exchange of information agreements, mutual administrative assistance conventions, multilateral legal instruments, the work of the OECD/G20 inclusive framework on base erosion and profit shifting, and other forms of international cooperation [75].” At the deliberations stage, the proposal was also made to include “the provision of capacity-building to implement the OECD-sponsored two-pillar solution to address the tax challenges of the digitalisation of the economy [77].” Likewise, the secretary general was also mandated to consult “the Platform for Collaboration on Tax, and other international institutions and relevant stakeholders[viii]” [75].

Overloading the Resolution Context

The context of the Resolution is complicated and overloaded with cross-references to diverse institutions, frameworks, and purposes. The unnecessary digressions into the UN Convention Against Corruption, the UN Convention Against Transnational Organized Crime, the Member States’ pledge to “improve the fairness, transparency, efficiency, and effectiveness of their tax systems,” and the necessity to “strengthen good practises on assets return,” which were embezzled from developing countries [77]. The secretary general was also instructed to contact “the members of the Committee of Experts on International Cooperation in Tax Matters” when drafting his report for the 78th session [75]. It has been averred that the UNTC was a counter-majoritarian set up, essentially compromised, and selectively used by the Global North to lend legitimation to and validate the OECD work [31].

US Amendment—Decoy

Much has been read into the voting down of the US sponsored amendment. It was remarked that the “last-minute US suggestion, which would have made the subject matter of intergovernmental conversations considerably more nebulous, was said to have been unanimously rejected by member nations [78].” However, the paper posits that the amendment was brought in, voted upon, and allowed to be knocked down merely to consolidate the real gains already made by shifting the Resolution’s pivot from convention to cooperation. At some level, the saga of voting down of the US amendment proffered Global South an opportunity to contrive a shallow notion of victory while the real boon had already been squandered.

Tax Transparency Framework—Casus Belli

The adopted Resolution embeds itself into the pre-existing OECD-sponsored and UN-koshered international tax transparency framework by taking note of “the implementation of the Standard for Automatic Exchange of Financial Account Information on Tax Matters under a common reporting standard developed by the Organization for Economic Cooperation and Development, as well as the role of the Global Forum on Transparency and Exchange of Information for Tax Purposes [77].” It has also been stipulated that the OECD-sponsored EOI regime is a bane and not a boon for Global South states [79]. It has also been posited that Global North states use the tax transparency framework and its expansion and improvement for a casus belli to avoid taking direct action against tax havens, beneficial ownership legislation CBI/RBI schemes, non-compliant secrecy jurisdictions, and the refusal to equate money laundering with terror financing [54].

Summation

It has been overstatedly claimed that the Resolution will “move rule-making on global tax from the OECD to the UN, lifting the grip that former colonial powers have continued to exert over global tax rules since the dissolution of their empires and finally offering a chance to legitimate, inclusive rule-setting” [30]. This is an irrational expectation. The reality remains that the resolution itself is couched in neo-neocolonial economic lingo and its excessive focus on “international tax cooperation” is tantamount to supplying more of the same—malignancy. More importantly, it does not capture the real pain points of Global South—a binding UN Convention geared to reset the international taxes drawing board by re-appraising the century-old principles underlying allocative principles on most incomes, disciplining non-state operators, illicit financial flows, systematic tax base loss, and syndicated tax evasion. Absenting these matters from the agenda, the likelihood is that the opportunity does not augur well for the Global South—futuristically.

SECTION 5: DRAFT EURODAD TAX CONVENTION

The world's 1st draft UN Tax Convention was unveiled in March 2022 by the European Network on debt and development (Eurodad) pushing the issue into significant international spotlight [1]. In fact, much of the debate that the African Group Resolution has triggered is fuelled by the draft Eurodad Tax Convention. The Eurodad Draft has an expanded preambular part that contains almost two dozen contextual pivots and overarching principles, and an operative part[ix] [1].

Preambular Part

The Draft Convention starts off with a primer stipulating "the vital importance of fair, equitable, progressive, transparent, and effective" [80] system vis-à-vis IFFs and international tax avoidance and evasion which inevitably lead to "an increase in inequality within and among countries [81]. The Draft Convention also makes a mention of international corporate tax avoidance that can potentially have devastating effects for developing countries [82]. Perhaps the most significant point made by the Draft Convention is that "multinational corporations should pay taxes in the countries where economic activity occurs and value is created [83]." The Draft Convention also embeds itself in a couple of UN-sponsored High Level Panel Reports, [84] the Addis Action Agenda, the SDGs—particularly SDG 10 and 17, and the gender justice. The respect for state sovereignty is highlighted as an important pillar before bringing up "international tax cooperation" as the silver bullet to address the set objectives.

Operative Part

The Draft Convention itself consists of seven parts obtaining 31 Articles. Part I titled "Objectives, principles, use of terms, and general obligations" lays down its principal objectives, guiding principles and general obligations. Article 1 charts out the objectives as (i) promoting "international tax cooperation;" (ii) ensuring that "tax systems are fair, equitable, progressive, transparent, and effective;" and (iii) combating IFFs that have a tax connection [85]. "These objectives," it has been stipulated, "shall be pursued with a view to reducing inequality within and among countries and mobilizing financing for governments to fulfil international goals, obligations, and commitments [86]." Article 2 reiterates every "state's sovereign right to decide policies and practices of its domestic tax system [87]," with particular regard to the exchange of information, observance of confidentiality, respect for citizenry's privacy, and, most importantly, underscores the comity of nations' "collective responsibility to ensure that multinational corporations are taxed as coherent entities with taxes being paid in the states where economic activity takes place and value is created" [88].

Part II, Transparency, in addition to the standard information exchange mechanisms, looks to expand its scope also to tax policies and practices [89]. Part III, Taxation and tax-related illicit financial flows, accentuates intergovernmental tax cooperation as the main toolkit to fight these menaces. It has been averred that one of the main aims of the Convention is to "develop a new international corporate tax system that would ensure that multinational corporations are taxed as coherent entities," and at "a minimum effective corporate tax rate," also referred to "as unitary taxation [1]." Part IV, Institutional arrangements, abstractly outlines various institutions that would be required to hold, maintain, sustain and enforce the Convention in an effective manner, including a UN global assets registry [90]. While Part V of the Draft Convention covers reporting, compliance and settlement of disputes, Part VI deals with the Development of the convention and protocols, and Part VII, Final provisions, takes care of the procedural matters.

Critique

The Eurodad Draft Convention much like the African Group Resolution does not, categorically highlight the mega issues confronting developing countries—a massive network of DTCs, bargained-away taxing rights, developed countries' covert cushion to non-state operators to undertake systematic poaching in developing countries, and a deliberate reluctance to upscale criminalization of money laundering and equate it with terror-financing. Albeit, both documents do prescribe that MNCs "pay taxes in the countries where economic activity occurs and value is created," [91] but then stop short of recommending renegotiation of taxing rights through a fast-track comprehensive multilateral initiative. The Draft Convention's main ploy, international tax cooperation, has historically proven to be a trap for developing countries tying them into binding sovereign DTCs of no or negative economic value [31]. Moreover, it is not clear as to what is it new that the proposed Convention looks to achieve—supplement or replace the existing DTC-based system. Although, it has been claimed that the Draft Convention looks to propose "major changes in the way taxing rights are distributed between governments" and "to remove biases that favour richer and larger countries, as well as introduce a system that gives higher priority to the interests of developing countries [1]," yet its actual text hardly bears credence to the assertion. All said, it is still the 1st available draft of a binding UN Tax Convention.

SECTION 6: GLOBAL SOUTH—WAY FORWARD

Albeit the size of the opportunity created by the Draft Resolution for the Global South has substantially been narrowed down by the adopted Resolution, yet it remains an opportunity—not to solve all the wide-going inequities rooted in the systematically controlled international taxes system, but just to trigger debate and take the first step towards dismantling that control on the system. However, the Global South would need to garner superior political wisdom to make the opportunity count. If they turn out to be naïve and gullible yet once again, they might get adrift by a fresh thrust of new-look international tax cooperation and end up diplomatically strangulating themselves even further. There are interrelated ten points of caution that would help developing countries crystallize their perspective, set their agenda, and chalk out their roadmap for engagement with developed countries when the Secretary General sets the ball rolling.

1. What the Global South must foremost strive for is their semantic liberation. The capitalist state, capitalist, and capitalist non-state operator, over the past hundred years, have systematically developed a complete system of concepts straddling on law, tax, accountancy, trade, investment, and diplomacy for interactions on international fiscal relations between nation states. This loaded language of international tax diplomacy is tantamount to semantic occupation of developing countries on the negotiations table as they think and grasp the reality only in terms of that very language. They need to break the conceptual perimeter set by a decades-old conditioning of "international cooperation," for any meaningful new engagement. In order to break the operating conceptual control, they would have to outrightly discard some pre-existing concepts, redefine others, and still coin quite a few new ones in order to have a just and fair interaction with more powerful developed partners in the relationship.
2. The developing countries also need a better measure of the global class-based groupness. They ought to understand that Global North have their individually particularistic interests, but they also have their group interests which they pursue in unison, and that they are equally within their legitimate rights to do the same and adopt identical posturing at the international level by operating as a collectivity. It is, therefore, imperative that the intergovernmental deliberations warranted by the Resolution, at this juncture, should only consist of tax experts from the Global South and be housed in G-77 and not in the ECOSOC or the General Assembly. Once the Global South states have formulated their own agenda and firmed up their position on key issues, the matter be opened for discussion with Global North on a group-to-group basis. It is important that the mistake made at the time of operationalizing the ECOSOC Resolution 1273 of 1967 and establishing the ad hoc group of tax experts by appointing them from "both developed and developing countries," be not repeated. The first thing that the ad ho group did upon formation in 1968, as already also pointed out, was that hurriedly ended up koshering and validating the OECD MTC 1963 [92, 93].
3. The Global North, over the past couple of decades, has lent rather exaggerated focus on international tax transparency. While exchange of actionable tax information may be required at international level, it cannot be leveraged to deflect or defer direct crackdown against the evil infrastructure comprising tax haven, bank secrecy, beneficial ownership ploys, residence-by-investment and citizenship-by-investment schemes, nor can it be used as a casus belli to continue with all of them. Moreover, developing countries should insist on sitting only with jurisdictions

having full state status and not sub-states, namely, tax havens. Disciplining tax havens should be the responsibility of their master states who ought to come to the negotiating table with clean hands, and they must not be allowed to run with the rabbit and hunt with the hound. Likewise, it may also be "the time to devise an international withholding tax system mandating at source deduction of collection by the source state and transfer and remittal of the collected tax amounts to the residence states or the ones which are rightfully entitled to receive them," of course, along with exchange of tax actionable information. The sophisticated exchange of information mechanisms—not accompanied by actual withholding tax transfers—only inflicts additional costs on developing countries rather than accrue any substantial fiscal benefits.

4. The developing countries must insist on the return of their taxing rights and retrieval of their tax base by adopting a radical approach of replacing DTC-based international taxes system with a convention-based one, which has done more harm than good to them. Any new dispensation introduced via the proposed engagement shorn or short of a complete departure might prove to be counterproductive.
5. The initiation of the intergovernmental deliberations as mandated by the resolution must be preceded by the formation of the Global South's group of tax justice activists both from developed and developing countries to identify glaring inequities in the pre-existing system and do the agenda setting. Once the Global South's group of experts have formulated a working draft, only then developing country governments should be involved to deliberate upon, validate it, and negotiate the deal with the Global North under the broader UN framework.
6. The Global South would need to inject the right amount of urgency into their actions and reactions as the opportunity has a shelf-life. They should properly activate and brief their permanent diplomatic missions at the UN to allocate adequate resources for the purpose. The G-77 and South Centre could be the right forums toward forming and hosting the tax justice activists' group.
7. The Global South must also look to deliberate upon and seek justice for the sustained past fiscal injustice. The country-wise quantum of IFFs and systematic tax revenue losses could be firmed up at the proposed Global South level under the G-77 and pitched up for debt relief and mitigation equal to the tax revenues (and foreign exchange) lost. It is possible that Global South—both collectively and severally—might turn out to be net creditors to the Global North, in the final analysis.
8. The establishment of an intergovernmental organization as also proposed in the Zedillo Report 2001, would be a simultaneous pre-requisite. All technical details—minimum tax rate, contours of the Intergovernmental Tax Organization to operationalize and operate the unitary tax system on MNCs, universal withholding tax system, and their enforcement mechanisms should be deliberated upon and formulated under this very initiative. However, it should not become a protracted project; it should rather be a staggered time-bound activity.
9. The Global South ought to remember that there is no tradeoff between the Global North extending support under the ODA and TA programs, on the one hand, and the retrieval of their own taxing rights back to them being legitimate claimants, on the other; the latter must be preferred.
10. Finally, international taxes are primarily a subject of international political economy and need to be approached accordingly. The Global North's experts at the negotiation table, deliberately try to drag the issue into the legal domain by bringing in ultra-sophisticated legal principles, problems, and arguments, which may or may not have any moral standing or economic rationale. Mere understanding of the gambits and then taking a principled position on them can do a lot of good to the cause of the Global South and its denizens.

The African Group Resolution even in its adopted formulation has placed the 100-year old international taxes system at a crossroads. It is, therefore, imperative that the opportunity that it has created is rationally analyzed and the demons that are cast within the framework of "international tax cooperation" are comprehended in their essence so that the pre-existing and unjust international taxes system is replaced with an equitable one, which would, in fact, benefit all concerned. Justice liberates both—the victim and the perpetrator equally.

CONCLUSION

If the African Group Resolution places the archaic, unjust, and manipulable international taxes system right into the centerstage of international public debate, the paper does it with international tax cooperation as both cannot be divorced from each other; instead, both reinforce each other the coercive implications for the Global South and its denizens. The premise I, which stipulates that the international tax cooperation has historically been used to cover and camouflage international tax agenda, allocation of taxing rights and their manipulable collection mechanism, has, inter alia, been tested with reference to UN ECOSOC Resolution 1273 and its far-reaching effects. Likewise, premise II, III, and IV, which postulate that the Global North-contrived conception of international tax cooperation imposed upon the Global South and the latter's continuing discomfort with and the efforts to dismantle it, are sharply reacted to by the Global North—are amplified by bringing in the Zedillo Report, 2001's proposal for the establishment of an intergovernmental tax organization and the developed world's sustained opposition to it. The constructivist premises V and VI as regards the development of a complete system of concepts by the Global North and the Global South's conditioning unto its involuntary acceptance for engagement with the former are unraveled via the exegesis of the African Group Resolution and the Eurodad Draft Convention. Similarly, premise VII, which stipulates duplicity in the Global North's tax diplomacy, gels well with Section 6 that sets agenda for the Global South for engagement. The African Group Resolution and the Eurodad Draft Tax Convention—with all their downsides—are reflective of a stark divide between the "global haves," and "global have-nots," continually being enriched and impoverished by the unjust international taxes system, respectively. Thus, it is an absolute imperative for the Global South to assert and reclaim their tax base without which UN-assigned SDGs would continue to be unfunded mandates.

REFERENCES

1. Tove Maria Ryding. Proposal for a United Nations Conention on Tax. Brussels European Network on Debt and Development (Eurodad); 2022.
2. Sergio Andre Rocha. Should developing countries include Article 7 in their tax treaties? Bulletin for International Taxation. no. IBFD (2017).
3. Muhammad Ashfaq Ahmed. U.N.M.T.C. Article 8: Was the source rule surrender a blunder? Intertax. 2020; 48(1).
4. Katrin McGauran. Should the Netherlands sign tax treaties with developing countries? Amsertdam: Centre for Research on Multinational Corporations; 2013.
5. TJN. Double taxation agreements: Gain or loss to Tanzania? Chasham: Tax Justice Network; 2016.
6. V Daurer, R Krever. Choosing between the U.N and O.E.C.D tax policy models: An African case study. African Journal of International and Comparative Law. 2014; 1(21).
7. IJ Mosquera Valderrama. Legitimacy and the making of international tax law: The challenges of multilateralism. World Tax Journal. 2015; 7(3).
8. Peter D Byrne. Developing countries, tax treaties and the United Nations model tax convention. I.L.S.A. Journal of International and Comparative Law. 1996; 2(695).
9. Martin Hearson. Measuring tax treaty negotiations outcomes: The ActionAid Tax treaties dataset. vol. 47. Working Paper. Brighton: Institute for Development Studies, ICTD; 2016.
10. Muhammad Ashfaq Ahmed. U.N.M.T.C. Article 5: The predatory ploy: A Neo-Marxist mapping of the permanent establishment. Manchester Journal of International Economic Law. 2020; 17(2): 186–217.
11. Muhammad Ashfaq Ahmed. U.N.M.T.C. Article 6: Selective territoriality: The specter of privileged player in a rigged game. Manchester Journal of International Economic Law. 2021; 18(3).

12. Oladiwura Ayeyemi Eyitayo-Oyesode. Source-based taxing rights from the OECD to the UN Model Conventions: Unavailing efforts and an argument for reform. Law and Development Review. 2020; 13(1).
13. Hamrawit Abebe et al. The United Nations' role in international tax policy. A research & policy brief. New York: Milano School of International Affairs; 2012.
14. Sébastien Leduc, Geerten Michielse. Are tax treaties worth it for developing economies? Corporate income taxes under pressure: Why reform is needed and how it could be designed? ed. Ruud A de Mooij, Alexander Klemm, and Victoria Perry. Washington DC: International Monetary Fund; 2021.
15. M Hearson. Measuring tax treaty negotiations outcomes: The Actionaid Tax Treaties Dataset. (February 21, 2016). International Centre for Tax and Development working paper 47, Institute of Development Studies., Available at SSRN: http://dx.doi.org/10.2139/ssrn.2744547.
16. TJN. U.N. Tax convention proposed at general assembly. Press Release. October 14, 2022.
17. Julie McCarthy. A bad deal for development: Assessing the impacts of the new inclusive framework tax deal on low- and middle-income countries. Brookings Global Working Paper No. 174. May 2022.
18. Mark Bou Mansour. World's first U.N. tax convention draft is antidote to sanctions-Busting Financial Secrecy, Campaigners Announce. London: Tax Justice Network; 2022.
19. Muhammad Ashfaq Ahmed. U.N. model tax convention: The albatross around developing countries' neck—Time for a techtonic reset. World Tax Journal. 2022.
20. ibid.
21. Fowler N. The financial secrecy index 2022 in the tax justice network podcast, the Taxcast—Tax Justice Network. Tax Justice Network. (2022). [Online] Available from: https://taxjustice.net/2022/05/18/the-financial-secrecy-index-2022-in-the-tax-justice-network-podcast-the-taxcast/#:~:text=And%20the%20index%20rightly%20judges,and%20the%20 convention%20against%20corruption.
22. Corporate Tax Haven Index-2021 Results. [Online] Available from: https://cthi.taxjustice.net/cthi2021/country-list.pdf.
23. Mark Bou Mansour. U.N. secretary general signals supports for U.N. tax convention. London: Tax Justice Network; 2022.
24. U.N. The Zedillo Report. Recommendations of the high-level panel on financing for development. New York: ECOSOC; 2001. p. 15.
25. Abebe H, Dugan R, Mcshane M, Mellin J, Patel T, Patentas L. The United Nations' role in international tax policy a research and policy brief for the use of the NGO committee on financing for development 2012. [Online] Available from: http://www.ngosonffd.org/wp-content/uploads/2010/11/UN-Role-in-International-Tax-Policy-2012.pdf.
26. UN. High level panel on international financial accountability, transparency and integrity report. Financial integrity for sustainable development. New York: United Nations; 2021.
27. Abdul Muheet Chowdhary, Sol Picciotto. Streamlining the architecture of international tax through a UN framework convention on tax cooperation. Geneva: South Centre; 2021.
28. WEF. Building back broader: Policy pathways for an economic transformation. Community Paper. Centre for the New Economy and Society, 2021.
29. UN. International cooperation and cooperation to combat illicit finanical flows. Secretary General's Report. New York: ECOSOC; August, 2022.
30. Mansour. U.N. secretary general signals supprts for U.N. tax convention.
31. Ahmed. U.N. Model Tax Convention: The albatross around developing countries' neck—Time for a Techtonic Reset.
32. Margaret Mead. Cooperation and competition among primitive people. Boston: Beacon Press; 1961. p. 16.
33. Lauri Siitonen. Political theories of development cooperation—A study of theories of international cooperation. Working Paper 86. Helsinki: World Institute for Development Economics Research of the United Nations University; 1990.

34. Robert Nisbet. Cooperation. International Encyclopedia of the Social Sciences. ed. David L. Sills New York: Macmillan & Free Press; 1968.
35. Eduardo Baistrocchi. The use and interpretation of tax treaties in the emerging world: Theory and Implications. British Tax Review. 2008; 4: 352–391.
36. Eduardo A Baistrocchi. The International Tax Regime and Global Power Shifts. Virginia Tax Review. 2021; 40(2): 225.
37. Baistrocchi E. The use and interpretation of tax treaties in the emerging world: Theory and Implications Academia.edu. (2019). Online Available from: https://www.academia.edu/9518749/The_Use_and_Interpretation_of_Tax_Treaties_in_the_Emerging_World_Theory_and_Implications.
38. HeinOnline. About |HeinOnline. (2021). Online Available from: https://heinonline.org/HOL/LandingPage?handle=hein.journals/vrgtr40&div=10&id=&page=.
39. Auther J Cockfield. The rise of the O.E.C.D as informal 'world tax organization' through national responses to e-commerce tax challenges. Yale Journal of Law & Technology. 2006; 8(136).
40. Ibid.
41. Ibid.
42. Ibid.
43. Thomas Rixen. Politicization and institutional (Non-) change in international taxation. Discussion Paper—Wissenschaftszentrum Berlin für Sozialforschung. 2008; 306(306).
44. Ibid.
45. Martin Hearson. Bargaining away the tax base: The North-South politics of tax treaty diffusion. London School of Economics & Political Science; 2016. p.12.
46. Siitonen. Political theories of development cooperation—A Study of theories of international cooperation. p. 20.
47. Ibid., p. 6.
48. Ibid.
49. Ibid., p. 7.
50. Ibid., p. 1.
51. Ahmed. U.N.M.T.C. Article 5: The predatory ploy: A neo-marxist mapping of the permanent establishment.
52. Ibid.
53. Umut Özsu. Grabbing land legally: A Marxist analysis. Leiden Journal of International Law. 2019; 32(2).
54. Ahmed. U.N.M.T.C. Article 6: Seclective territoriality—The spectre of privileged player in a rigged game.
55. Siitonen. Political Theories of Development Cooperation—A study of theories of international cooperation. p. 12.
56. G Alder Karlsson. The political economy of east-west-south co-peration. New York: Springer Verlag; 1976. p. 15.
57. Hearson. Bargaining away the tax base: The north-south politics of tax treaty diffusion. p. 15.
58. Ibid.
59. UN. E.C.O.S.O.C Resolution. Tax treaties between developed and developing countries. New York: ECOSOC, 1967.
60. UN. Report of the Ad hoc group of experts on tax treaties between developed and developing countries. *DESA* New York: ECOSOC/DESA; 1969.
61. Ibid., 7p.
62. Prof. Jan de Goede receives International Fiscal Association (IFA) Honorary Membership | IBFD [Internet]. Ibfd.org. 2022 [cited 2023 Feb 7]. Available from: https://www.ibfd.org/news/prof-jan-de-goede-receives-international-fiscal-association-ifa-honorary-membership.
63. High-level panel on development financing presents key proposals to Annan [Internet]. UN News. 2001 [cited 2023 Feb 7]. Available from: https://news.un.org/en/story/2001/06/3092.

64. Vito Tanzi. Is there a need for a world tax organization? The economics of globalization: Policy perspectives from public economics, ed. A. Razin and E. Sadka. New York: Cambridge University Press; 1999.
65. UN. United Nations Convention on Internatinal Tax Cooperation. Nigeria’s Draft Resolution. New York: U.N. General Assembly; 2022.
66. Ibid.
67. Ibid.
68. UN. United Nations Convention on International Tax Cooperation. Seventy Session. Second Committee. Agenda Item 16. Macroeconomic Policy Quesitons. New York: General Assembly; October, 2022.
69. Promotion of inclusive and effective international tax cooperation at the United Nations. Seventy Seventh Session. Second Committee. Agenda Item 16. Macroeconomic Policy Questions. ed. A/C.2//77/L.11. New York: General Assembly. November 16, 2022.
70. Ibid.
71. Ibid.
72. Ibid.
73. UN. United States: Amendment to Draft Resolution a/C.2/77/L.11/Rev.1. Seventy Seventh Session Second Committee Agenda Item 16. New York: Economic and Social Committee; November 22, 2022.
74. UN. Promotion of inclusive and effective international tax cooperation at the United Nations. Programme budget implications of draft resolution. Seventy Seventh Session. Second Committee. Agenda Items 16 & 138. Macroeconomic Policy Questions. New York: Economic and Social Committee. November 21, 2022.
75. Promotion of fully inclusive international tax cooperation. Seventy Seventh Session. Second Committee. Agenda Item 16. Macroeconomic Policy Questions ed., Nigeria Draft Resolution New York: General Assembly; October 10, 2022.
76. Ibid.
77. UN. United Nations Convention on International Tax Cooperation. Seventy Session. Second Committee. Agenda Item 16. Macroeconomic Policy Quesitons. New York: General Assembly; October 10, 2022.
78. Mark Bou Mansour. U.N. adopts historic decision to take on new tax leadership. London: Tax Justice Network; November 23, 2022.
79. Ahmed. U.N.M.T.C. Article 26: Inequitable exchange of information regime: Questionable efficacy in asymmetrical bilateral settings.
80. Eurodad. United Nations Convention on Tax. Brussels: Global Alliance for Tax Justice, 2022.
81. Ibid.
82. Ibid.
83. Ibid.
84. The Reports referred to are U.N. The Report of the High Panel on Ilicit Financial Flows from Africa. Mbeki Panel Report. New York: Economic Commission for Africa, 2015. High Level Panel on International Financial Accountability, Transparency and Integrity Report.
85. Article 1 of Eurodad. United Nations Convention on Tax.
86. Ibid.
87. Article 2 of ibid.
88. Ibid.
89. Article 8 of ibid.
90. Ryding. Proposal for a United Nations Convention on Tax. p. 27.
91. Article 19 of Eurodad, "United Nations Convention on Tax.
92. Ibid.
93. Ibid.

ENDNOTES

i. The African Group, at the UN, consists of 54 African Union member countries. The group undertakes coordinated efforts of African nations to improve economic, social, health, and security situation in the continent. The Group has been allocated three non-permanent member seats at Security Council, 14 member seats at the ECOSOC, 13 seats on the Human Rights Council, and in the year ending 4 and 9, the UN General Assembly Presidency.

ii. The Eurodad is a civil society network, which advocates for democratically-controlled, gender-just, and human-rights based financial and economic systems, and consists of 58 non-profit organizations from 28 European countries

iii. The AHG consisted of (1) Carlos C. Martinex Molteni (Argentina); (2) Ricardo Bustos (Chile); (3) Pierre Kerlan (France); (4) Helmut Debatin (Germany); (5) A.N.E. Amissah (Ghana); (6) K.S. Sundra Rajan (India); (7) Simcha Gafni (Israel); (8) Jiro Yoshikuni (Japan); (9) W.H. Van den Berge (Netherlands); (10) Qamar-ul-Islam (Pakistan); (11) Ambrosio M. Lina (Philippines); (12) Hamzah Merghani (Sudan); (13) S.E. Borden (Sweden); (14) Kurt Locher (Switzerland); (15) Muhammed Sbaa (Tunisia); (16) Adnan Baser Kafaoglu (Turkey); (17) A. Johnstone (UK); (18) Stanley Surrey (USA).

iv. These data have been extracted, purified and supplied by the International Bureau of Fiscal Documentation (IBFD) on a pro bono basis for which the author is richly indebted.

v. The definition of developed country by assuming that all current OECD member countries have been a member of the OECD—always. Moreover, the data do not include any number of protocols that may have been inked after the DTA signing.

vi. Such a commitment was earlier made on the Group of 77 and China's earlier Resolution made in 2019.

vii. This is the updated position after Guinea got its vote corrected from a "Yes" to a "No", slightly modifying the original vote at 55-97-13 to 54-98-13.

viii. The OECD happens to be one of the sponsoring organ[i]zations of the platform for collaboration on tax and its work.

ix. The Eurodad is a civil society network, which advocates for democratically controlled, gender-just, and human-rights based financial and economic systems, and consists of 58 non-profit organizations from 28 European countries.