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Taxing times

The fight for a fair international tax system

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Photo by IISD/ENB | Danny Skilton

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ECOLOGY

Rising with the waters

In Bangladesh's flood-prone districts, floating classrooms help keep kids in school.

Sardar Ronie



©Abir Abdullah / Shidhulai Swanirvar Sangstha

Shidhulai Swanirvar Sangstha operates 26 boat schools, reaching more than 2,300 children annually.

This story originally appeared in Earth Island Journal.

EVERY morning, in many parts of Bangladesh's vast floodplains, children wake, dress, eat breakfast and walk from their homes to school. However, their classrooms aren't located in brick-and-mortar buildings. They are boats that sail around the waterways picking children up at various points before docking for lessons. In the Chalan Beel, a 10-square-mile wetland where seasonal monsoon floods routinely swallow roads and isolate villages, these floating classrooms have changed how children access education.

For twelfth-year student Mahiyam, the difference is simple but profound. 'This school is very close to my home,' she says. 'The regular primary school is far away, and during floods, the roads go underwater. This boat school picks me up and brings me back home after classes.'

Bangladesh's floodplains – formed by three major rivers, the Brahmaputra, Padma and Meghna, which drain into the Bay of Bengal – comprise some 80% of the country. The country has one of the largest populations in the world at risk of coastal flooding and storm surges that are steadily getting worse as the world warms. In fact, seasonal flooding is so common here that students often can't get to school.

According to UNICEF, in 2024, the climate crisis disrupted the schooling of 33 million children there. Schools across the country closed for two weeks in April and May due to heatwaves, and many closed again for several additional weeks later that summer due to cyclone-induced flooding.

The situation in the Chalan Beel ('beel' means wetland in Bengali), the country's largest inland wetland, which is fed by more than 40 rivers, is even more dire. In this region, where the monsoons swell the basin into a vast sea-like expanse of water, increasing rainfall combined with unchecked development have led to particularly intense flooding. Locals say that large parts of this region remain underwater for four to five months every year.

Growing up on a riverside in the Chalan Beel, Mohammed Rezwan saw firsthand how flooding could disrupt learning. 'When the floodwater came, water came from all directions,' he recalls. 'Roads went underwater. Schools submerged. People could not grow crops.' Though his middle-class family had a boat (normally used to transport crops from their agricultural lands), which allowed him to reach school even in difficult weather, he watched friends and relatives who didn't have similar means lose access to education, when floods cut them off.

So in 1998, Rezwan, a 22-year-old architect at the time, asked himself a simple question: How do you keep education alive when the land itself vanishes underwater? His answer was equally simple: If children cannot reach school, the school must reach the children.

That year, he used $500 from his personal savings to found Shidhulai Swanirvar Sangstha to provide local children with boat-based learning opportunities. The first such boat school became operational in 2002. More than two decades later, Shidhulai Swanirvar Sangstha operates 26 boat schools across the central-western districts of Pabna, Natore and Sirajganj, reaching more than 2,300 children annually. Each boat can accommodate around 30 children per shift, and is outfitted with desks, books, school supplies and a shared laptop. Classes – which are held in three shifts a day to accommodate different schedules – are aimed at primary-level education and include a river-based component that focuses on environmental protection and water conservation. The nonprofit also has an explicit mission to educate girls.

The boats themselves are low-tech, built of bamboo and wood, and powered by solar energy. Designed to navigate shallow floodwaters, they are perfectly adapted to the region's fragile, riverine environment. In 2025, the boat schools remained in operation for 289 days, defying floods, disasters or other natural calamities, Rezwan says.

While the bulk of Shidhulai Swanirvar Sangstha's fleet is

focused on childhood education, the nonprofit operates eight additional boats that offer farmers training in climate-resilient agriculture. It also runs six floating health clinics that deliver primary care to around 50 patients a day. When severe floods turn villages into islands, boats become emergency shelters. One has a library with some 1,500 books.

In addition to being adapted to the landscape, the floating school programme is deeply rooted in local knowledge. The boats are built by local craftspeople using traditional techniques passed down through generations. Schoolteachers like Hosne Ara, who has been teaching on the boats for around a decade, come from the same communities they serve.

'I enjoy teaching here. It's on the river, floating. And the houses are right beside the river. From here, it's convenient for me,' she says. 'I want these kinds of boat schools to exist in many more places where they don't have them.'

Madhu Sudan Karmakar has been a programme manager with the initiative for around 20 years. 'Seeing children learn and grow gives me immense joy,' he says.

Over the past two decades, the floating school system has educated more than 24,000 children, Karmakar says. Some of its earliest students have gone on to university. Rezwan recalls meeting a former student during an award ceremony a few years ago. The young man, who is now a professional photographer, came up to him after the event and thanked him for the boat that started it all. It was an inspiring and proud moment for Rezwan.

For current students like fourth-grader Mohammad Himel Hasan, who loves to recite poems for visitors, the floating classroom is helping shape future ambitions. He says he wants to join the military and serve his country when he grows up.

The boat schools have had an impact in other ways as well. In 2022, Bangladesh formally included floating schools in a climate-resilient education strategy in the country's national adaptation plan, which extends through 2050. Other organisations, including the large Bangladesh-based development organisation Building Resources Across Communities (BRAC), have also implemented similar programmes. BRAC now operates several boat-based learning centres in other parts of Bangladesh.



Abir Abdullah / Shidhulai Swanirvar Sangstha

Classes are aimed at primary-level education and include a river-based component that focuses on environmental protection and water conservation.

'I was very happy when I saw other NGOs learning from us,' Rezwan says. 'Together, we can solve many of our existing challenges and support the government, because government resources are limited.'

Rezwan's impact hasn't gone unnoticed. In 2025, UNESCO awarded Shidhulai Swanirvar Sangstha its Confucius Prize for Literacy, which recognises programmes that promote functional literacy. Last year Rezwan also received a World Fellowship at Yale University for his leadership in the fight for a better world.

As Bangladesh's State Minister for Primary and Mass Education, Bobby Hajjaj, observed after attending the UNESCO award ceremony: 'This achievement reminds us that with innovation, commitment and community-driven solutions, quality education can reach every child – no matter where they live.'

Still, the gap between recognition and resources remains significant. In a country of over 170 million people, Shidhulai Swanirvar Sangstha's 26 boat schools cover only three districts and reach just a small fraction of flood-impacted students. Over the next five years, Rezwan hopes to expand the school fleet to another 40 districts in the country's floodplains. He envisions a minimum of 20 boats per district, serving about 72,000 more children. It is a big goal, but he believes it is achievable, provided he can garner international funding.

'The international donor community should look at community-led initiatives and help young people carry them forward,' he says. 'New things take time. If you give them the resources to continue for 10 or 15 years, you will see a remarkable impact.'

In the Chalan Beel, that impact is clear. It arrives every morning by boat and allows classes to continue even when floodwaters cut off roads and villages. As floods increasingly disrupt education around the world, Rezwan's solution – schools that rise with the waterline – may ripple far beyond Bangladesh. ◆

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The passport of pain: Borders inside the body

They almost never appear in discussions about migration, but the travellers setting out in search of medical care reveal some of the deepest inequalities shaping contemporary Africa.

Frashia (Sonnie) Karanja



Marisol Grandon / UK Department for International Development (CC BY 2.0)

A mother and child at a hospital in Lodwar, Kenya. Access to healthcare remains unevenly distributed across Africa.

MIGRATION is often imagined through the language of movement. Every day, thousands of Africans undertake journeys in search of treatment, medicine, diagnosis, surgery, rehabilitation or palliative care. They travel carrying pathology reports, referral letters, laboratory results, scans, prescriptions, and the hope that somewhere beyond their immediate geography lies the possibility of survival.

Kamau's illness began before March, before he sat in the small consulting room where a radiologist finally said the word 'carcinoma' out loud. It began almost a year earlier, in the unremarkable persistence of a headache that refused to behave like an ordinary headache, quietly, disguised as something manageable, something a chemist could resolve, something that did not yet deserve the word 'hospital'.

He went first to a dispensary near his house, the kind with a single room divided by a curtain, where a nurse took his temperature and asked if he had slept well. He was given paracetamol. When the headaches did not relent, he tried a clinic in the next estate, where a clinical officer asked about stress, about screen time, and about whether he had been drinking enough water. He was given something stronger this time, a combination of ibuprofen and something for the sinuses, because congestion was mentioned, because someone thought perhaps it was allergies settling behind the eyes. Weeks passed. He went to another dispensary, then another clinic, carrying the same complaint like a stone in his pocket, and each time he left with a different explanation and the same instruction: come back if it does not improve.

It did not improve, simply it learnt to wait alongside him, present in the mornings, present after meals, present in a way that eventually it stopped announcing itself as pain and became instead a kind of atmosphere he moved through. He would spend over 3,000 Kenyan shillings for painkillers alone; a young man, he had to resign from his workplace because the hospital visits became too much.

This is the part of medical migration that rarely gets written down, not the eventual referral letter, not the eventual hospital, but the long, exhausting prelude of being misread. Before a patient becomes a case, they must first survive being ordinary. They must be given paracetamol enough times, reassured enough times, sent home enough times, before someone finally asks the question that should have been asked from the beginning. This is not always negligence. Sometimes it is simply the architecture of a health system that trains its lowest-cost workers to manage the most common explanations first, and only escalate when the common explanations refuse to hold. It was in this way, nearly a year into his headaches, that Kamau finally sat across from Dr David, after heading northwest from Enkare Nyrobi.

These travellers almost never appear in discussions about migration; their movement is rarely captured by the categories that dominate public discourse. They are not typically described

as refugees, expatriates, asylum seekers or labour migrants. Yet their journeys reveal some of the deepest inequalities shaping contemporary Africa. They expose how access to healthcare remains unevenly distributed across the continent and how survival itself has become geographically determined. The routes they travel map a political reality in which the right to care is often dependent on where one is born, what passport one carries, and whether one can afford to move.

To speak about migration in Africa is therefore also to speak about illness. The movement of people seeking healthcare is not a marginal phenomenon but one of the continent's most revealing forms of mobility. It illuminates the relationship between state capacity, economic inequality, colonial legacies, regional integration and the lived experience of citizenship. More importantly, it forces us to reconsider where borders actually reside. While migration policy tends to locate borders at checkpoints and frontiers, the experience of illness suggests something different. For many Africans, the most consequential borders are not encountered at the edge of nations. They are encountered inside the body.

The geography of healthcare in Africa mirrors the geography of power. Across the continent, specialist services, advanced diagnostics, cancer treatment centres, dialysis units, rehabilitation facilities and palliative care programmes are concentrated within a limited number of urban centres and relatively wealthier regions. This concentration is not accidental. It reflects decades of uneven development, structural adjustment programmes that weakened public health systems, debt burdens that constrained social investment, and global economic arrangements that continue to shape national priorities. The result is a landscape in which healthcare infrastructure is distributed with extraordinary inequality.

Dr David was not, strictly speaking, a doctor in the way the title suggests to people outside the profession. He was a clinical officer, one of the many mid-level health workers who form the actual spine of clinical care in Kenya, trained through a three-year diploma at a medical training college rather than the five-and-a-half-year MBChB that produces a medical officer. In public imagination, the word 'doctor' is reserved for the latter. In practice, it is clinical officers who see the overwhelming majority of patients in this country, who staff rural health centres single-handedly, who run outpatient departments in referral hospitals, who often possess more accumulated clinical instinct than their titles are credited for, simply because they have seen more patients, more repetitions of the same disease dressed in different bodies, than almost anyone else in the system.

Dr David had spent years working within the oncology department at Kenyatta National Hospital before moving to private practice, and this history mattered more than his title. He had seen enough tumours disguise themselves as sinus problems, enough headaches that were not headaches at all, to recognise the shape of something when it appeared in front of him even before the shape had a name.

He examined Kamau slowly. He asked questions the previous clinicians had not thought to ask, whether the headache was accompanied by any change in hearing, whether there was any blockage in the nose, whether there had been any blood, however little, however easy to dismiss as nothing. Then he wrote two things on different sheets of paper: a request for a CT scan of the head and neck, and a referral letter addressed to Kenyatta National Hospital.

I did not see him write it. I saw it afterwards, the way families often encounter the truth of an illness – secondhand, through paper, through a letterhead and a name that meant something to me only because of where I had once worked. I had done locums at Dr David's facility. I knew his handwriting, I knew the particular economy of his notes, and I knew, with the specific dread of someone trained to read between clinical lines, that a referral for a CT scan of the head and neck to KNH's ENT department was not written casually. Referral letters in this country are rarely generous with detail. They are brief, almost withholding, as though written by people who understand that too many words on a page can frighten a family before a diagnosis has even been confirmed. But the destination of a referral often says more than its content. KNH's ENT department does not receive headache patients. It receives patients whose headaches have stopped being ordinary.

I called him, not immediately as Kamau's sister, but first as someone who had shared a corridor with him, who had reviewed patients under the same roof.

'Is it what I think it is?' I asked.

He hesitated in the particular way clinicians hesitate when they are trying to protect a family from a truth they already suspect. The pause before language, the small silence in which a person decides how much honesty a voice on the other end of the phone can hold. He offered me something gentler than the truth, something meant to soften the days between the CT scan and its result.

I did not let him. 'Be candid with me,' I said. 'Talk to me as your equal, I need to know so I can start preparing my family.'

There is a particular loneliness in asking for the truth in a language your profession has trained you to expect, knowing that the person delivering it will have to decide, in real time, whether to speak to you as a colleague or protect you as a sister. Dr David chose honesty, carefully worded but unmistakable.

And so, before a single scan had been taken, before a biopsy had confirmed anything, before Kamau himself fully understood what was being investigated, I had the strange, isolating privilege of grief that begins before permission has been granted to grieve.

For many displaced people, movement does not end upon reaching safety. It continues through a succession of clinics, humanitarian programmes, referral networks and medical facilities. Migration becomes an ongoing search for care.

Yet the phenomenon extends far beyond humanitarian crises. Across the continent, middle-class and affluent families increasingly travel abroad for treatment. Destinations such as India, Türkiye, South Africa, Egypt and the Gulf states have become familiar nodes within African healthcare journeys. Governments themselves contribute to this pattern, frequently allocating substantial public resources to sponsor overseas treatment for political leaders, civil servants and citizens with specialised medical needs. While these arrangements may provide immediate solutions for individual patients, they also reveal a troubling reality. The routine export of patients often reflects the inability or unwillingness of states to build robust healthcare systems at home.

The consequences are not merely financial. Medical migration generates new forms of inequality. Those who possess resources can travel. Those who do not must remain. Survival becomes linked to mobility, and mobility becomes linked to wealth. A border emerges between those capable of crossing it and those who cannot. The injustice lies not only in unequal access to treatment but in the fact that treatment itself has become a function of movement.

The body bears the imprint of these arrangements. Migration studies have long examined the violence of borders, documenting deaths at sea, abuses in detention centres, exploitative labour systems and the criminalisation of movement. These analyses remain essential. Another dimension that deserves equal attention is the way political and economic structures become embodied. Illness is not simply a biological event. It is shaped by the conditions within which people live, work, travel and seek care. The body absorbs the consequences of policy decisions. It records the effects of underfunded hospitals, inaccessible medicines, inadequate social protection and unequal healthcare infrastructure.

In this sense, the body functions as an archive. Scars, amputations, untreated conditions, chronic pain and preventable deaths tell stories about governance as surely as official documents do. A delayed diagnosis may reveal the absence of diagnostic equipment. A disability acquired through untreated illness may expose failures in healthcare access. A patient forced to undertake repeated cross-border journeys for treatment embodies a history of regional inequality. The body remembers what institutions often prefer to forget.

This perspective complicates dominant narratives about African mobility. Contemporary discussions of migration frequently oscillate between two extremes. On one side are security-oriented approaches that frame migrants as threats to be managed, contained or excluded. On the other are celebratory narratives that emphasise resilience, entrepreneurship and the economic contributions of migrants. While both perspectives capture elements of reality, neither fully addresses the structural conditions that produce movement in the first place.

The migration of patients reveals a deeper contradiction. Across Africa, governments and regional institutions increasingly speak the language of integration. Continental frameworks promote trade, investment and cooperation. Pan-Africanism continues to inspire visions of shared destiny and collective progress. Yet the lived experience of many Africans remains defined by unequal access to fundamental services. Goods often move more freely than people. Capital crosses borders with relative ease. Medicines, technologies and expertise circulate through global markets. Meanwhile, individuals confronting illness encounter visa restrictions, bureaucratic obstacles, financial barriers and healthcare systems that remain largely organised along national lines.

This contradiction becomes especially striking when viewed through the lens of Global Africa. The descendants of historical displacement, slavery, colonialism and labour migration continue to maintain complex relationships with the continent. Efforts to build connections across the African world frequently invoke ideas of belonging, solidarity and shared identity. These aspirations carry profound political and cultural significance. Yet they also raise practical questions about what solidarity requires. If Pan-Africanism is to be more than a symbolic project, it must confront the inequalities that make healthcare migration necessary in the first place.

The challenge is not merely to facilitate movement but to address the conditions that compel movement. A continent committed to free movement must also ask why so many people are forced to travel for basic healthcare. It must ask why access to treatment remains so unevenly distributed. It must ask why citizenship so often fails to guarantee care. These questions cannot be separated from broader debates about development, public investment, debt, governance and global economic relations. Healthcare migration is not simply a medical issue. It is a political issue, an economic issue, and ultimately a question of justice.

The stories of those who travel

in search of treatment rarely generate the visibility afforded to dramatic border crossings or migration crises. Their journeys unfold quietly in bus stations, airport terminals, hospital corridors, waiting rooms and family fundraising campaigns. Yet they reveal something fundamental about contemporary Africa. They show how inequality structures the possibility of survival. They demonstrate that movement is often less a choice than a response to institutional failure. And they remind us that borders operate not only at the edges of states but within the everyday realities of health and illness.

To understand migration solely as the movement of people across territory is therefore insufficient. Migration is also the movement produced by unequal access to life itself. The patient who travels for surgery, the family that relocates for dialysis, the refugee searching for specialised care, and the worker postponing treatment because documentation remains uncertain all inhabit a shared political landscape. Their experiences reveal a continent where healthcare remains unevenly mapped and where survival frequently depends upon mobility.

The passport of pain is not issued by any government. It carries no photograph, nationality or official stamp. Yet it remains one of the most widely held travel documents in Africa. It authorises journeys that no one wishes to undertake. It compels movement across cities, regions and borders. It records the unequal distribution of care and the unfinished project of African solidarity. Most importantly, it reminds us that the struggle for freedom of movement cannot be separated from the struggle for the conditions that make movement unnecessary. For as long as survival remains geographically determined, illness will continue to produce its own migrants, and the most enduring borders will remain those inscribed within the body itself. ◆

Frashia (Sonnie) Karanja writes at the meeting point of nursing and storytelling. Drawing on years spent bearing witness to the body in crisis, she turns her attention in fiction and essay to what often goes unsaid, the grief, tenderness, survival and the weight of memory in ordinary families. She co-founded Narrative Medicine Africa to give these stories room to become something communal: care, advocacy, healing. Her work has found homes in Rafinki, Lend Me a Whisper, Kalahari Publishers and Brittle Paper, with forthcoming pieces in Doek! Magazine, & CASIN and Afro Femme. She has participated in workshops including the Qwani Memoir and Biography Workshop with Dr Joyce Nyairo, a self-editing masterclass with Ellah Wakatama, and the Creatives Ghana Project with Boakye D. Alpha.

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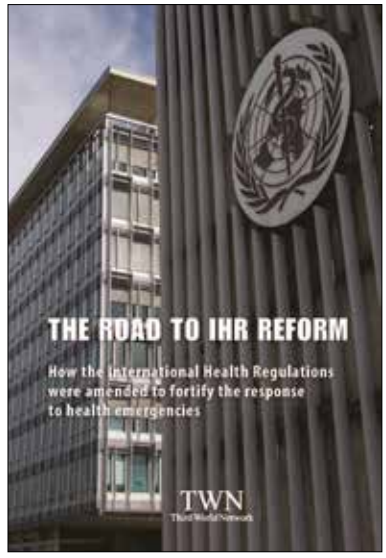
The Road to IHR Reform

How the International Health Regulations were amended to fortify the response to health emergencies

As the COVID-19 pandemic left a devastating human and economic toll in its wake, multiple efforts to shore up preparedness and response to public health emergencies were initiated. One of the most significant of these was the move to reform the International Health Regulations, which govern the management of cross-border health crises

This book tracks the intergovernmental negotiating process that took place under the aegis of the World Health Organization (WHO) to amend the IHR. Bringing together contemporaneous articles published by the Third World Network, it documents the various twists and turns in the talks and the key issues that were at stake – including developing countries' calls for equitable access to health products and for financial support in implementing the Regulations.

The Road to IHR Reform chronicles how the negotiations navigated a raft of challenges to eventually deliver a landmark set of amended rules aimed at enhancing international health cooperation.



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"I witnessed the valuable role played by TWN in supporting developing countries... through technical analysis, policy advice, and comprehensive reporting... This publication... will be a valuable resource for future practitioners, researchers, and policymakers."
Dr Boitumelo Tau, Health Attaché of the Permanent Mission of Botswana to the United Nations

"Through its meticulous analysis, this publication offers profound insight into the conduct of negotiations behind closed doors, while standing as a meaningful testament to the shared commitment that ultimately brought this milestone to fruition."
Nurhafiza Hamzah, former Minister Counsellor (Health) of the Permanent Mission of Malaysia to the United Nations and Other International Organizations

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"[A]n absolute tour de force. It is easily the most comprehensive and insightful analysis of IHR amendments ever written. It combines academic rigour with penetrating analysis."
Lawrence O. Gostin, Distinguished University Professor at Georgetown University and Director of the WHO Center on Global Health Law

(PDF copy available here.To obtain a print copy, please write to twn@twnetwork.org. Postage charges will apply.)

International tax law reform through the United Nations

Ongoing negotiations in the UN to draw up an international tax cooperation treaty offer the opportunity to overhaul a global tax system that has deprived countries of billions in much-needed revenue.

Antonio Salvador



Photo by IISD/ENB | Danny Skilton

A meeting of the Intergovernmental Negotiating Committee tasked with developing the UN Framework Convention on International Tax Cooperation.

MEMBER states of the United Nations have agreed to negotiate a convention to reform the international tax architecture, and this will be a legally binding agreement.

The Intergovernmental Negotiating Committee tasked to develop the convention has met five times since April 2025, with a sixth session scheduled for 30 November to 10 December 2026 in Nairobi. Three remaining sessions will be held in the UN headquarters in New York in 2027. Thereafter, a draft shall be submitted to the UN General Assembly for adoption.

The basic issue in taxation of international transactions boils down to which of the taxing jurisdictions has the right to tax, and to what extent, a particular income: the source country of the income, or the residence country of the taxpayer to whom the income accrued.

No single international law or treaty currently governs international taxation. However, there is a coherent set of principles that in many ways constrain the ability of countries to adopt international tax laws as they please.[1] This regime is embodied principally in the more than 3,000 existing bilateral tax treaties, but it is also incorporated in the domestic tax laws of most countries.[2] In turn, the use of double-taxation agreement networks to manage international tax relations came out of the work of the League of Nations in the 1920s.[3]

Not surprisingly, the international tax architecture has not caught up with globalisation, international trade, and multinational conglomerates operating in different taxing jurisdictions while increasing the role of their global value chains.

Corporations and rich individuals have resorted to various forms of 'tax planning' to evade, avoid and defer the payment of taxes. Multinational corporations (MNCs), instead of funding their subsidiaries through equity, lend an inordinate amount of funds, since dividends paid are not deductible expenses for the subsidiaries while interest payments are – leaving the subsidiary with lower net taxable income.

Intangible properties (such as the extensive patents held by pharmaceutical companies) are migrated to lower-tax jurisdictions so that the royalties earned will be subjected to lower tax rates. Foreign sales and services subsidiaries are also incorporated in lower-tax jurisdictions so that their revenues need not be included in the gross revenues of the parent company in the high-tax jurisdiction. Transfer-pricing techniques are used to manipulate prices that related entities charge to each other: sister companies located in high-tax jurisdictions would book more expenses, while those in low-tax jurisdictions would take in more revenues.

Digital platforms, due to the nature of their business, do not even need any physical presence or permanent establishments in market jurisdictions[4] as their services are provided through the internet or

other digital means. Consequently, under tax treaties and often even under the rules of the market jurisdictions themselves, they are not liable to pay income tax, even as they compete with local service providers who do pay income taxes, value-added taxes and local taxes – thus raising also a competition policy issue.

The avoidance by MNCs, typically located in developed countries, of income taxes in developing countries constitutes a veritable wealth transfer from the developing countries to the developed countries where the MNCs and their corporate and individual owners reside and pay all sorts of taxes – including capital gains tax when the shares of stock are sold and income tax on dividends.

There is also asymmetry in the national tax laws of most countries, both developing and developed: passive income (capital gains from the sale of property, interest, royalties and dividends), which is the source of wealth of the rich, is subject to lower tax rates than active employment income of employees. Inheritance is either not taxed or subjected to low rates, and again tax planning techniques can considerably reduce the amount of any inheritance tax to be paid.

Billionaires pay very low income tax since increases in their wealth through a rise in the value of their shares of stock and the value of their property are non-taxable events. Income tax liability is triggered only when shares or other property are sold and the amount realised exceeds the adjusted basis for the property.

Thus, there is a need to overhaul the international tax architecture. In July 2026, the Intergovernmental Negotiating Committee for the UN tax convention came up with the following documents, which currently form the basis of the negotiations:

1. Co-Leads' Zero Draft of UN Framework Convention on International Tax Cooperation (Framework Convention)
2. Co-Leads' Draft Protocol on the Taxation of Income from Cross-Border Services (Protocol 1)
3. Co-Leads' Draft Protocol on the Prevention and Resolution of Tax Disputes (Protocol 2).

Civil society organisations (CSOs) and labour unions consistently argue that there should be a system, through the Framework Convention, of 'unitary taxation' where an MNC and its related entities would be treated as one entity, with all revenues and all expenses accounted for in a single income statement, and with the net taxable income shared by the different taxing jurisdictions where the different entities are located using an equitable 'formulary apportionment'[5] that reflects real economic activity. This approach is possible through the only entity where each country has parity in terms of voting: the United Nations.

The OECD/G20 and its existing Inclusive Framework on Base Erosion and Profit Shifting would not suffice due to the lack of parity among countries in terms of influence, as can be seen through the outcome. Pillar One of this Framework, which seeks to give market jurisdictions a share in tax revenues, has unrealistic metrics: the scope is limited only to companies with gross revenues for the year of more than €20 billion, thus letting many big corporations off scot-free. In addition, only *any* amount more than the 10% margin will be divided among the different market jurisdictions. 'Any' could mean nothing or just €100. Further, it cannot be taken for granted that companies want to make money as soon as possible. In the digital age, the incorporators might be willing to lose money for more than a decade as long as the company's stock price increases dramatically.

In contrast, consistent with the draft UN Framework Convention, including its Article 5 on Fair Allocation of Taxing Rights, unitary taxation with formulary apportionment will address the complicated and interrelated web of tax planning techniques: transfer pricing, non-taxation of digital platforms in market jurisdictions (which is also one of the main issues in Protocol 1), abuse of debt-to-equity ratios, migration of intangible property, and income tax deferral through the use of foreign personal holding companies[6] and foreign base sales and service companies.

The draft Framework Convention also includes a provision on high-net-worth individuals (HNWIs), thus addressing the gnawing fact that no taxable event arises from astronomical increases in wealth through surges in the prices of shares of stock and land, even as the valuation of those assets facilitates access to credit – to create even more wealth. With imposition of a wealth tax on the net worth of HNWIs, the latter will rightfully contribute to the coffers of the very government which protects their property and their businesses and whose legal system enforces the contracts they enter into.

Finally, Protocol 2 is on Prevention and Resolution of Tax Disputes. CSOs in the tax justice community maintain that there should be no binding arbitration and definitely not the extremely problematic Investor-State Dispute Settlement (ISDS) provisions to handle tax disputes. Countries have been sued under ISDS, with catastrophic consequences, merely for exercising their sovereign right – and in fact duty – to impose taxes.

Fortunately, developing countries, CSOs and labour unions are on the same page in pushing for a progressive and equitable international tax architecture that would contribute to sustainable development, gender equity, and the provision of basic services such as health and education – despite the immense challenges posed by the developed countries' attempt to

maintain the status quo. ◆

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Notes

1. Reuven S. Avi Yonah, Diane M. Ring and Yariv Brauner, *US International Taxation: Cases and Materials*, 4th ed., p. 2.
2. Ibid.
3. UNCTAD, *Trade and Development Report 2024*, Chapter V: The Global South and new international tax architecture: The quest for development finance, p. 179. https://unctad.org/system/files/official-document/tdr2024ch5_en.pdf. Accessed on 29 September 2026.
4. These are the countries where the clients of the digital platforms reside. Since the digital companies are non-resident foreign companies, without physical presence or permanent establishment (office, factory, branch, a mine, an oil or gas well, a place of management, etc.), they are not liable for any income tax and other types of taxes. However, both developing and developed countries have started to impose digital services taxes, also called equalisation levies, on them – which in turn is one of the most contentious issues in taxation.
5. A method used to divide a corporation's total taxable income among different tax jurisdictions based on a fixed formula that typically measures local economic activity like sales, payroll and property.
6. Foreign personal holding company income (FPHCI) is passive income diverted to holding companies for no apparent business purpose other than to subject this income to much lower tax rates.

Towards an inclusive and effective tax cooperation legal framework at the United Nations

Chee Yoke Ling

The context

AGAINST the backdrop of a looming economic and cost-of-living crisis, rising inequalities and climate change, there is urgent need for strengthened international tax cooperation to fight tax avoidance and evasion, as well as illicit financial flows. All of these activities have a common feature – they drain resources desperately needed to address the impact of today's crises on lives and livelihoods and to invest in the Sustainable Development Goals (SDGs) and climate action.

Various meetings, discussions, processes and recommendations intend to further the achievement of SDG target 16.4 (to substantially reduce illicit financial flows by 2030) and to improve domestic resource mobilisation and strengthen international tax cooperation. While resulting in some progress towards achieving those goals, these efforts also illustrate the timeliness and importance of further strengthening international tax cooperation in order to make it fully inclusive and more effective.

International tax cooperation must advance progress towards a fair and effective international tax system for sustainable development, in a way that reflects the needs, priorities and capacities of countries, in the context of the current international tax landscape and beyond.

The call for a comprehensive, inclusive and effective global tax system is not new. As early as 2015, civil society organisations and movements, trade unions and academia had stepped up in the Global Alliance for Tax Justice to call for a legally binding system under United Nations auspices to challenge the OECD's dominance of rules and standards applied globally without the South at the table to make those rules and to ensure equity and fairness in taxation.

In 2022, the Africa Group of countries, with the support of the Group of 77, successfully moved Resolution 77/244 at the UN General Assembly that opened the door to inclusive intergovernmental negotiations. This moment shifted the international tax debate from the OECD to a multilateral and inclusive arena at the UN.

The 2022 General Assembly resolution

Resolution 77/244 on 'Promotion of inclusive and effective international tax cooperation at the United Nations', adopted by the General Assembly on 30 December 2022, reaffirmed earlier international commitments to scale up international tax cooperation, fight illicit financial flows and combat aggressive tax avoidance and evasion. The resolution decided to begin intergovernmental discussion at the UN headquarters in New York on ways to strengthen the inclusiveness and effectiveness of international tax cooperation.

Member states requested in the resolution that the UN Secretary-General prepare a report as the basis for further discussions during the Assembly's 78th session in 2023. The report analysed relevant international legal instruments, other documents and recommendations that address international tax cooperation; evaluated additional options to strengthen the inclusiveness and effectiveness of such cooperation; and outlined potential next steps

for making international tax cooperation fully inclusive and more effective.

The process to intergovernmental negotiations

The resolution acknowledged international tax cooperation efforts at various international forums, including (but not limited to) the UN and its Tax Committee, the Global Forum on Transparency and Exchange of Information for Tax Purposes, and the OECD/Group of 20 Inclusive Framework on Base Erosion and Profit Shifting.

In preparing his report, the Secretary-General consulted widely with member states and relevant stakeholders, including civil society, business and academia, as well as the members of the Platform for Collaboration on Tax. Engaging with young persons was an important part of these consultations. The process built on multilateral and regional platforms that have made and will continue to make significant contributions to international tax cooperation.

Accordingly, the Secretariat invited member states and other stakeholders to provide written inputs. Over 80 written submissions were received. All submissions were made publicly available before the 2023 UN Economic and Social Council (ECOSOC) meetings on financing, in order to facilitate multistakeholder discussions on the weaknesses and gaps in existing arrangements for international tax cooperation, as well as additional options for making such cooperation fully inclusive and more effective.

The Secretary-General's report was submitted to the General Assembly on 26 July 2023.

Building on this report, the General Assembly set up an Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation, which worked through three sessions in 2024 at the UN headquarters (20–22 February; 26 April–8 May; 29 July–16 August). The report of the Committee contained, as Annex 1, the Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation.

The Draft Terms of Reference were adopted by vote by an overwhelming majority at the General Assembly through Resolution 79/235 on 24 December 2024. Accordingly, the Intergovernmental Negotiating Committee on the United Nations Framework Convention on International Tax Cooperation was established by the General Assembly to draft the text of the Framework Convention along with two early protocols. A roadmap for negotiations between 2025 and 2027 was also adopted (see box).

There are three workstreams to negotiate the Framework Convention and two early protocols:

- Workstream I on the Framework Convention
- Workstream II on the taxation of income from cross-border services
- Workstream III on dispute prevention and resolution. ◆

Chee Yoke Ling is Executive Director of the Third World Network.

Sources: UN Department of Economic and Social Affairs (Financing for Development); and Global Alliance for Tax Justice

Timeline

2025

- **4–8 Aug | New York**

Intergovernmental Negotiating Committee First Session

- **11–15 Aug | New York**

Intergovernmental Negotiating Committee Second Session

- **10–19 Nov | Nairobi**

Intergovernmental Negotiating Committee Third Session

2026

- **2–3 and 5–13 Feb | New York**

Intergovernmental Negotiating Committee Fourth Session

- **3–13 Aug | New York**

Intergovernmental Negotiating Committee Fifth Session

- **30 Nov – 10 Dec | Nairobi**

Intergovernmental Negotiating Committee Sixth Session

2027

- **18–28 Jan**

Intergovernmental Negotiating Committee Seventh Session

- **26 April – 7 May**

Intergovernmental Negotiating Committee Eighth Session

- **19–30 July**

Intergovernmental Negotiating Committee Ninth Session

Submission of the final text of the Framework Convention and of the two early protocols; consideration by the General Assembly of the final text of the Framework Convention and of the two early protocols, as submitted by the INC following the conclusion of its work.

What is at stake in the UN tax negotiations

The UN tax talks will, among others, determine whether all countries will finally be able to tax the profits made by multinational firms within their own territory.

Manuel F. Montes

AT the fifth negotiating session of the United Nations Framework Convention on International Tax Cooperation (UNFCITC) in New York on 3–13 August, it became indisputable that genuine negotiations are underway towards a mechanism for sharing taxation rights among sovereign member states based in the United Nations. Delegates dealt with actual text as they debated the underlying principles and rights embodied in the proposed text.

A historic process to overturn a historical inequity

These negotiations could establish a new international tax cooperation institution where all sovereign countries have access to agenda setting and to the allocation of obligations and rights to be served by a secretariat that reports to all the UN member states, instead of just to OECD member countries. (It is a pity that at this conjuncture the resources of the secretariat to provide technical backstopping are severely constrained by UN budgetary restrictions.)

What is at stake in these UN negotiations towards an international treaty on taxing international profits and incomes?

The dominant tax system, put in place in a network of treaties under the auspices of the Organisation for Economic Cooperation and Development (OECD), allows multinational companies and rich citizens – who can easily create companies in other countries – to transfer profits they make in one country to other countries such as Switzerland, the Netherlands and the Bahamas so that they avoid taxes on the profits and income they make in the original country.

The OECD system requires, among others, that profits can only be taxed when an international company has a physical presence in a country. For example, it has become customary that when riders use Uber, they pay Uber directly through their credit card, and the payment is remitted directly to a company in the Netherlands. The country where Uber provided the service has no access to the profits made there, except possibly to tax the income of the driver. Meanwhile Google, which provides its services to users for free, makes money from advertisements on its website; because it has no physical presence, its super-profits are not reachable by local tax authorities.

Profits transferred abroad mean that local taxpayers bear a greater burden of the cost of running the government than otherwise.

What is at stake in the UN negotiations is a change in the rules of the global tax system so that all governments have the means to tax profits and incomes made in their own territory.

Countries can choose not to tax those profits. But under the current system, many countries don't even have the chance to decide whether or not to tax those profits because the rules keep them out of reach.

The inequity in taxation rights has long been recognised by legal scholars and tax administrators. The prevailing rules that facilitated profit transfers to low- or no-tax jurisdictions became themselves an obstacle to revenue-raising efforts in rich countries, which sought the assistance of the OECD secretariat.

In 2014, one year before the first results of the G20-OECD Base Erosion and Profit Shifting (BEPS) project were announced, an International Monetary Fund (IMF, 2014) staff analysis suggested that 'the network of bilateral double taxation treaties based on the OECD model significantly constrain the source country's rights'. Conceptually, the 'source country' is the territory where profits are made and income is earned, as opposed to the 'resident country' where a corporation is headquartered.

The results of the so-called 'Two Pillar' G20-OECD BEPS project did not make a meaningful dent in correcting these imbalances. 'Results' is in fact an overstatement, in light of the non-accessions, compromises and exemptions – even among OECD countries – to the outcome.

In the competition among developing countries to attract foreign investments from rich countries, local tax officials often have to contend with the strong preference of prospective investors for the use of OECD approaches to taxation. These approaches facilitate the transfer of profits out of the country – even when the country has no applicable double-taxation treaty.

Where there is an OECD-style double-taxation treaty in force, this invariably prohibits the collection of withholding taxes on

profits. Withholding tax approaches place the onus of proving legitimate deductible costs against profits on the taxpayer. The Africa Group of countries, notably, seek a UN treaty that does not prohibit withholding taxes, a standard feature of many tax systems, even in OECD countries.

The arena of negotiations

In the ongoing textual negotiations in the UN, there is a distinct underlying difference between developed countries (mainly from Europe, the US having withdrawn from participating earlier) and many developing countries led by the Africa Group. The negotiations are a tale of two cities, or two planets. (There is a third group comprising developing countries which are presently seeking OECD membership and remain mostly silent.)

The difference can be traced to disparate starting points. The starting point of European negotiators appears to be as follows: Despite the failure of the BEPS process, there is nothing fundamentally wrong with the current system and decision-making processes in the matter of sharing sovereign taxing rights; the UN might as well import these standards and practices and avoid establishing new treaty obligations that will require renegotiation of existing agreements.

In contrast, the Africa Group appears to start from the view that the BEPS proposals floundered on the shoals of the OECD's 'separate entity' presumption in the tax treatment of profits, which assumes that each commercial entity has an unadulterated incentive to maximise its separate profit, even if owned by another entity in another jurisdiction. This presumption transfers onto local tax officials the burden of proving that the local subsidiary is mispricing its transactions with external related entities.

African studies have documented the scourge of trade mispricing or misinvoicing. The first such study, in 2015, found that in Africa 65% of taxable income is lost in what it labelled as 'commercial' flows, meaning those that would be legal under the prevailing transfer-pricing practices (Mbeki Report, 2015). Elsewhere, Montes and Lunenborg (2023) documented the same kind of mechanism in the trading of coal exports from Indonesia, through Singapore, with coal-fired plants in India as their final destination.

Developing countries have long sought recognition by the OECD of simpler and practical approaches to catching mispricing undertaken among supposedly 'separate entities' as a legal vehicle for avoiding tax liabilities (Montes, Danish and Bernardo, 2019). A UN-based process has been seen as having the potential to come up with a solution.

The negotiations are now joined in the UN, 11 years after the discovery of significant tax revenue losses in Africa under the prevailing OECD system of tax cooperation. ◆

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The author is solely responsible for all errors, opinions and analyses. The author acknowledges undertaking part of this work on the traditional homeland lost by the Lenape in a period of forced population removals; the author supports actions of restitution and reparation to address these historical wrongs.

Same expertise, different positions

IT is notable that member states have chosen to send their tax administration experts to represent them at the UNFCITC negotiations. It is useful to recognise the privileged niche the OECD tax system occupies in the minds and practices of this community of tax experts. This system has fostered lucrative international careers – paths available even to developing-country experts – in legal departments of multinational companies, in the Big Four global accounting firms and in private consultancies. The OECD Transfer Pricing Guidelines, for example, delineate the properties and standards by which international companies can justify transfer-pricing flavoured transactions among their 'separate entity' subsidiaries.

This niche lies behind the 'legalese' uttered by the participants in the negotiations. For the Africa Group negotiators, however, even as they partake of the same expertise, the OECD regime has systemically justified the transfer of considerable taxable profits out of the reach of domestic authorities. Thus, the contrast in negotiating positions, while rooted in the same expertise, reveals that what is really at stake in the negotiations are matters of sovereign capabilities in the pursuit of social objectives.

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Why Asia must fight for global tax justice at the UN

Long impacted by the inequalities of the international tax regime, Asian countries must now stand with the rest of the Global South to demand real reform, writes *Lidy Nacpil*.

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DEVELOPING countries across Asia are caught in a brutal squeeze between compounding sovereign debt, devastating climate impacts and chronically underfunded public infrastructure. Yet every day, vital national wealth steadily leaks out of the region through corporate profit shifting and private offshore tax avoidance.

Cross-border tax abuse strips more than $480 billion from public accounts worldwide every year. This is a loss exceeding $1 billion every single day. For Asian nations striving to finance green energy transitions, build climate-resilient facilities and maintain basic healthcare, these figures represent tangible real-world losses: unbuilt medical centres in Pakistan, missed climate adaptation funding in the Philippines, under-resourced classrooms in Nepal, and strained treasuries across South and Southeast Asia.

For decades, international institutions have pushed Asian governments towards tax rules designed by the Organisation for Economic Cooperation and Development (OECD). Most recently, several nations in the region began adopting the OECD's 15% Global Minimum Tax on large multinational enterprises under its 'Inclusive Framework'.

Proponents frame this policy as a major step towards curbing profit shifting. However, regional civil society networks, including the Asian Peoples' Movement on Debt and Development (APMDD), warn that depending on OECD formulas to stop systemic tax abuse is like applying a tiny bandage to a deep, gushing wound. For countries of the Global South, signing on to the OECD Framework is tantamount to signing away taxing rights.



Cassidy K. / ILO (CC BY-NC-ND 2.0)

Coal mining in Indonesia. Economies such as Indonesia lose substantial potential tax revenue from foreign-operated mining enterprises.

The core issue with the OECD model is its origin. Engineered by and for wealthy Global North nations that host the world's largest multinational headquarters, the OECD process keeps primary decision-making authority in the hands of economic heavyweights. Its proposed 15% floor sits well below typical corporate tax rates across Asia, where statutory rates routinely range from 20 to 30 percent. Setting such a low global standard risks inciting a fresh race to the bottom, further eroding local revenue bases.

Even worse, OECD priority mechanisms favour parent-company jurisdictions over host economies. If a developing nation does not capture the top-up tax, that revenue defaults to the multinational's home country – yielding disproportionate benefits for G7 capitals while leaving international tax rules entirely disconnected from global environmental crises.

This arrangement perpetuates an unjust paradigm for Asian economies. So-called 'source countries', where real production happens, natural resources are plundered, labour is exploited and vast consumer markets exist, are left fighting over leftovers while corporate profits flow overseas.

If Asian finance ministers intend to safeguard their domestic revenues, the decisive arena is not in Paris or Washington. It is at the United Nations headquarters in New York, where states are negotiating a comprehensive UN Framework Convention on International Tax Cooperation under a democratic 'one country, one vote' governance

system that defends sovereign taxing authority and embeds ecological accountability.

The current global tax framework deepens fiscal vulnerabilities in specific ways across different Asian subregions. In Southeast Asia, economies such as Indonesia, Vietnam and the Philippines lose substantial potential revenue from rapid-growth digital platform providers and foreign-operated mining enterprises, because current OECD standards prevent host nations from fully taxing earnings generated within their borders. While they are not members of the OECD, they have signed on to its Inclusive Framework on Base Erosion and Profit Shifting.

In South Asia, countries like Pakistan, Sri Lanka, Nepal and Bangladesh remain trapped between severe debt-servicing obligations and strict fiscal austerity programmes. Unable to adequately capture corporate profits, governments frequently fall back on regressive indirect consumption taxes, such as value-added tax (VAT) on essential food and fuel, which place the heaviest burden on low-income families and women.

Compounding these struggles is aggressive regional tax competition. Asian nations are continually pitted against one another in a harmful race to offer foreign investors decades-long tax holidays and financial concessions, ultimately eroding tax bases across the board and resulting in staggering amounts of forgone revenues that could and should have been used for public financing of essential services and climate action.

The UN Framework Convention provides a historic opening to replace an outdated global tax system. Unlike OECD-led forums, where setting policy has long been dominated by wealthy economies, the UN platform operates on a simple, equal principle: one country, one vote.

To secure a fair international framework, Asian negotiators should align around three core priorities. First, the convention must institute unitary corporate taxation and strengthen source-based tax rights. Multinational enterprises should be evaluated as single global entities rather than loose collections of separate subsidiaries operating on a transfer-pricing system that enables their profits to escape the tax net. Asian nations must push for formulary apportionment. That is, taxing enterprise profits where economic activities take place and based on actual sales volumes, payroll and significant economic presence within each country. This reform would immediately seal major profit-shifting channels in the digital economy, manufacturing and natural resource extraction.



UNHCR / R. Rocamora (CC BY-NC 2.0)

Typhoon-wrought devastation in the Philippines. With Asian nations enduring hundreds of billions in loss and damage from extreme weather events, global tax rules must contribute to addressing the climate emergency.

Second, negotiations must tackle severe wealth disparities through progressive taxation and universal financial transparency. The convention should fulfil the mandate of its Terms of Reference (ToR) to ensure fair allocation of taxing rights, the equitable taxation of multinational enterprises, effective taxation of high-net-worth individuals and set the international legal standard for progressive tax reforms. This will require strong transparency and accountability mechanisms, including public country-by-country corporate reporting, automatic cross-border exchanges, and publicly accessible beneficial ownership and asset information. These mechanisms will give Asian revenue agencies the necessary tools to trace hidden offshore assets and enforce progressive tax policies domestically.

Third, global tax rules must reflect environmental realities and contribute to addressing the climate emergency. Sitting on the frontlines of global climate disruption, Asian nations endure hundreds of billions in loss and damage from extreme weather events. Embedding the Polluter Pays principle into international tax policy would enable host governments to collect revenues directly from fossil fuel conglomerates and major corporate polluters, generating vital funding for energy transitions and climate resilience without piling on more public debt.

While national legislative updates can offer temporary relief, long-term fiscal stability requires restructuring global rules at their foundation. Moving away from destructive tax competition towards genuine regional solidarity means setting aside partial OECD fixes and false solutions, and demanding a democratic global tax system that prioritises public well-being over corporate profits. The opportunity to reform these international rules is finally on the table. Asia must step up, stand with the Global South and help lead the push for global tax justice. ◆

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Civil society demands transformative reforms for taxation agreement

Civil society groups have proposed key amendments to the draft texts under negotiation in the UN tax talks in order to bring about a fair and effective international tax system.

Maria Syed

A ROBUST joint submission spearheaded by the Global Alliance for Tax Justice and supported by over 130 civil society organisations (CSOs) and trade unions has delivered a critical assessment of the draft United Nations Framework Convention on International Tax Cooperation and two accompanying Protocols.

The Intergovernmental Negotiating Committee (INC) mandated by the UN General Assembly to develop the new international legal instrument on tax cooperation met for its fifth meeting on 3–13 August. Three draft agreements – of the Convention and its two Protocols – were tabled for text review and negotiations.

The CSO submission urged for fundamental normative changes to ensure the negotiated agreements genuinely align with the UN General Assembly mandate. A central concern of the submission is that the draft Protocol on the Prevention and Resolution of Tax Disputes appears 'focused on enforcing the old system' rather than promoting structural reforms essential for global tax justice. The signatories advocate for an urgent shift away from the problematic transfer-pricing system towards a unitary system based on formulary apportionment and a reduced reliance on bilateral tax treaties. This systemic critique forms the bedrock of the CSOs' normative demands, emphasising that the Protocol must align with and actively promote the transformative objectives of the Convention and the other Protocol on the Taxation of Income from Cross-Border Services.

CSO response to the 'zero draft' of the UN Framework Convention on International Tax Cooperation (UN document A/AC.298/CRP.32)

The CSOs' joint submission highlights the absence of vital components from the Convention draft and a lack of operationalisation for other elements which are deemed essential for establishing 'an inclusive, fair, transparent, efficient, equitable and effective international tax system for sustainable development'. The CSO proposals call for a systematic shift, embedding principles of equity, sustainability and human rights at the core of the new global tax architecture, reflecting key priorities for developing countries and those seeking a rebalanced international economic order.

The following are key normative pillars of the CSO submission:

1. **Enriching objectives and principles for systemic justice:** The CSOs argue for a more robust normative foundation. The principles of 'polluter pays' and 'common but differentiated responsibilities and respective capabilities' should be incorporated into the foundational principles. This inclusion is critical for ensuring that environmental costs are borne by those responsible and that richer nations uphold their historical and current responsibilities, particularly benefiting climate-vulnerable developing countries. National sovereignty should be balanced with the international responsibility to respect the sovereignty of other states, crucial for preventing harmful tax practices that erode other nations' tax bases.

2. **Defining illicit financial flows and harmful tax practices with precision:** To enable effective global action, the UN Statistical Commission's broad definition of 'illicit financial flows' should be adopted: 'Financial flows that are illicit in origin, transfer or use, that reflect an exchange of value and that cross country borders.' This expansive definition, explicitly rejecting exclusions for non-tax crimes, is vital for developing countries struggling with capital flight and resource depletion. Simultaneously, 'harmful tax practices' should be defined as those that 'undermine the fairness or effectiveness of the tax system in another jurisdiction', a definition which provides a clear, actionable benchmark for identifying and combating such practices.

3. **Operationalising sustainable development, human rights and environmental justice:**

A central normative demand is to link fiscal systems directly to UN member states' obligations for sustainable development and the 'progressive realisation of human rights', including economic, social and cultural rights. This includes combating all forms of discrimination and inequalities, including economic, gender, racial and intergenerational inequalities. The submission further calls for Parties to the Convention to deliver 'progressive environmental taxation' nationally and internationally, targeting actors with excessively large ecological footprints. Significantly, it proposes establishing an international mechanism for a 'polluter pays tax' on the global profits of environmentally damaging industries, with revenues earmarked for sustainable development globally. An explicit commitment to 'gender-responsive taxation'[1] is also advocated, recognising and rectifying gender biases in tax policies.

4. **Ensuring equitable taxation of multinational enterprises (MNEs):** Central to the CSOs' vision is a fundamental normative shift from existing profit and expense allocation rules through transfer pricing. The submission proposes a commitment to 'equitable taxation of multinational enterprises', moving towards 'unitary taxation with formulary apportionment', supplemented by an 'ambitious minimum effective corporate tax rate'. This model, where multinational profits are taxed based on real economic activity in each jurisdiction, is a crucial departure from the 'arm's length principle' in transfer pricing that has facilitated profit shifting and tax avoidance, disproportionately harming developing countries. The proposal also suggests considering sector-specific formulas, particularly for extractive industries, to ensure fair taxation where value is truly created.

5. **Achieving effective taxation of high-net-worth individuals (HNWIs):** Addressing global wealth inequality, the CSOs propose a global minimum tax on net worth for the wealthiest HNWIs with progressively higher rates, with revenues channelled towards sustainable development. This recognises that the wealth of the super-rich often transcends national borders, necessitating an 'international component' to taxation rights. This is vital for curbing tax avoidance by the ultra-wealthy and mobilising resources for public goods and development.

6. **Establishing robust compliance and sanction mechanisms:** To give teeth to the Convention, the submission calls for strengthening compliance. Parties are called upon to consider establishing specific procedures and institutional mechanisms to ensure compliance with the provisions of the Convention. Crucially, the CSOs propose a mandate for 'joint action against non-cooperative jurisdictions', including non-Parties to the Convention, whose tax systems undermine the fairness, transparency or effectiveness of Parties' systems. This includes developing 'sanction mechanisms', a vital step towards ending harmful tax competition and enforcing global tax justice.

CSO response to the draft Protocol on the Taxation of Income from Cross-Border Services (A/AC.298/CRP.33)

The overarching concern voiced by the CSOs regarding the current draft Protocol on cross-border services is that it 'strongly resembles a typical bilateral tax agreement aimed at avoiding double taxation'. This approach, they contend, fundamentally mismatches the Convention's objectives, risking the perpetuation of systemic problems in international taxation rather than fostering transformative reforms. Thus, instead of promoting a truly inclusive, equitable and effective international tax system, the Protocol in its current form inadvertently reinforces existing inequalities.

A key criticism revolves around the hierarchical allocation of taxing rights. The draft's approach, which divides taxing rights into a dichotomy of residence versus source states, fails to adequately consider competing source taxing rights of third states. This can lead to 'triangular' cases and inadvertently cancel legitimate claims for source country taxing rights. The CSOs emphasise that the Protocol must move beyond this bilateral mindset and develop a truly multilateral system that acknowledges, protects, coordinates and enforces source country taxing rights in multiple countries simultaneously.

To achieve this, the submission puts forward several crucial normative points:

1. **Implementing the Convention and 'anti-lock-in' clauses:** The Protocol must not be a standalone instrument but must explicitly promote the implementation of the Convention. This includes Parties' obligation under the Convention to align their existing international tax agreements with the Convention's provisions and principles. Crucially, the Protocol should incorporate 'anti-lock-in' clauses to prevent countries from being bound by outdated norms and rules developed outside the Convention's inclusive framework. This aims to clear the path for fundamental reforms, such as a corporate tax system based on unitary taxation with formulary apportionment.

2. **Introducing the concept of 'significant economic presence' (SEP):** The CSOs advocate strongly for the inclusion of SEP as a new nexus to align taxing rights with current economic realities, particularly in the digital economy. This would enable net-based taxation for non-resident foreign corporations without

physical presence or permanent establishment. A comprehensive definition of SEP, subject to periodic review by the Parties, should integrate digital factors (e.g., local domain names), user-based factors (e.g., active users, volume of data) and revenue thresholds. Furthermore, 'taxpayer pick and choose' elements regarding taxation methods should be removed to ensure automatic application where SEP exists.

3. **Comprehensive scope and revised definitions:** The Protocol's scope must be expanded to include international shipping and air transport, which represent significant service sectors for many developing countries. These sectors require specific profit allocation/ attribution rules, ideally based on unitary taxation and formulary apportionment. Several definitions in the current draft are also deemed problematic: the conflation of natural and legal 'persons' should be clarified, and the concept of 'applicable tax instrument' deleted as it risks upholding existing treaties that contradict the Protocol's objectives. The definition of 'resident' should be moved to the Convention.

4. **Limiting MNE rights and enhancing information exchange:** The submission firmly states that UN treaties are agreements between states and should not award rights directly to multinational enterprises. Provisions should focus on state obligations regarding such enterprises rather than creating corresponding corporate rights. Furthermore, the Protocol must provide a robust mechanism for automatic information exchange, covering crucial data like residence, assets, payroll, user data and revenue. Restrictive wording (such as limiting exchanges to what is 'foreseeably relevant') and inappropriate secrecy restrictions imposed by domestic laws must be removed to facilitate comprehensive information sharing.

5. **Reconsidering non-discrimination:** The broad non-discrimination principle suggested in the draft is seen as inappropriate. The CSOs argue that it could have damaging impacts by preventing countries from legitimately using taxation as an instrument to pursue development objectives, support domestic producers or protect strategic sectors.

CSO response to the draft Protocol on the Prevention and Resolution of Tax Disputes (A/AC.298/CRP.34)

The CSO submission on this Protocol argues that its current form risks entrenching an outdated international tax system rather than fostering the 'inclusive, fair, transparent, efficient, equitable and effective' system envisioned by the Convention. The CSOs' key normative recommendations underscore a profound commitment to fairness, equity and the sovereign rights of states, particularly developing countries.

Significantly, the CSOs vehemently oppose the awarding of rights to MNEs under the Protocol. They assert that UN treaties are agreements between states, not corporations, and that the Protocol should not include 'taxpayer-initiated mechanisms' that could grant MNEs undue influence or standing. This stance reinforces the principle of state sovereignty and aims to prevent corporate capture of international tax governance.

Furthermore, the submission strongly advocates for the full integration of principle 9(a) of the terms of reference adopted by the UN General Assembly for the Convention. This principle mandates consideration of the 'different needs, priorities, and capacities of all countries, including developing countries'. The current draft Protocol is criticised for largely overlooking this principle, potentially imposing significant administrative burdens on developing countries. The CSOs call for differentiated responsibilities to be systematically embedded throughout the Protocol, recognising the distinct realities and resource constraints faced by these nations.

Concerns also extend to specific mechanisms like advance pricing agreements (APAs) and arbitration. The CSOs highlight the substantial risks associated with APAs for MNEs, including issues of secrecy, potential for special treatment, and inconsistency. They propose giving tax administrations the right to reject APA applications without providing specific reasons, deleting MNEs' right to request advance rulings, and establishing a mandate for the Meeting of the Parties to the Protocol to address these problems. In addition, the submission rejects outright the inclusion of arbitration as an option for dispute resolution, citing its highly concerning practice of vesting major tax decisions in a small group of experts.

The collective voice of the CSOs unequivocally calls for a paradigm shift in the draft Protocol. They envision a Protocol that acts as a truly transformative, multilateral and equitable instrument which is aligned with the spirit and objectives of the Convention. They seek a dispute resolution mechanism that prioritises systemic reform, upholds state sovereignty, ensures differentiated responsibilities for developing countries, and prevents the perpetuation of an unjust and outdated international tax system.◆

Maria Syed is a development economist from Pakistan specialising in international macroeconomics, feminist economics and global governance. Based in Berlin, she works as an economics consultant, researcher and policy advocate with the Third World Network, with the main focus on the international financial architecture.

Notes

1. Gender-responsive taxation aligns fiscal policy with human rights, aiming to alleviate disproportionate tax burdens on women, especially those in low-income groups. It involves progressive reforms like taxing wealth and corporate profits, while reducing regressive consumption taxes that impact women more severely. The goal is to fund essential public services and redistribute unpaid care work, thereby advancing gender equality and women's rights.

Pay 'where you play', not 'where you say'

By requiring multinational companies to pay tax in the countries where they genuinely do business, the UN tax convention would deliver a huge boost to public coffers worldwide, a recent study finds.

COUNTRIES can collect $500 billion more in corporate tax a year from multinational corporations without increasing taxes by following through on the UN tax convention's commitment to change where multinational corporations pay tax, according to research by the global union federation Public Services International (PSI) and the Tax Justice Network.

The tax boost would see:

- European Union countries collect enough to quadruple spending on climate adaptation in agriculture, energy and transport;
- the Global South collect more in a single year than the entire amount owed by Global South countries to the International Monetary Fund (IMF) in outstanding loans;
- the United Kingdom collect enough to cover the cost-of-living measures newly announced by Prime Minister Andy Burnham six times over, or more than two-thirds of the estimated cost of a National Health Service (NHS)-style social care system; and
- the United States collect enough to increase its current spending on renewable energy 45 times over, creating over 265,000 new jobs.

PSI General Secretary Daniel Bertossa said: 'Multinational corporations have been robbing countries of billions in corporate tax every year by running circles around a tax rule written before most households had electricity. The UN tax convention can finally modernise our global tax system by requiring multinationals to pay tax where they actually create profit, instead of where they pretend to on paper. If this sounds like a low bar to meet, you're getting a picture of how catastrophically mismanaged our global tax rules have been and why countries moved them to the UN. The only losers under this plan are tax havens and tax dodgers, and that's a big win for workers and public services everywhere.'



James Guppy (CC BY-NC-SA 2.0)

Under the current taxation system, multinational corporations dodge payments by moving their profits into tax havens.

The new study estimates how much tax countries would bring in under the UN's commitment to change how countries determine where a multinational corporation pays tax on its profits. Countries currently rely on a 100-year-old 'pay-where-you-say' approach set up by the League of Nations, which requires governments to tax multinational corporations' profits based on where they declare them. Multinational corporations have long gamed this approach by moving their profits into tax havens before declaring them.

The UN tax convention's commitment would replace this with a 'pay-where-you-play' approach which taxes multinational corporations' profits based on where they genuinely do business – i.e., where they employ their workers, and make and sell their goods and services. This makes shifting profits into tax havens useless, since multinational corporations tend to employ little to no workers in tax havens, and almost all their goods and services are made and sold elsewhere. (See box.)

The study finds that countries altogether would collect 24% more corporate tax from multinational corporations without increasing

'Pay-where-you-say' vs 'Pay-where-you-play'

The 'pay-where-you-say' approach taxes multinational corporations where they declare their profits, which multinational corporations have long gamed by shifting their profits into tax havens before declaring them. In contrast, the 'pay-where-you-play' approach taxes multinational corporations where they genuinely do business – i.e., employ workers, and make and sell goods and services. Under pay-where-you-play, the location where profit is declared on paper is irrelevant to where it gets taxed, which makes shifting profits into tax havens useless.

Pay-where-you-say is primarily based on the 100-year-old 'arm's-length principle' which requires governments to pretend that the local parts of a multinational corporation – its subsidiaries, headquarters and holding companies – are completely disconnected from one another and therefore ought to be taxed separately. It's a legal fiction that pretends Apple Ireland deals and negotiates with Apple France as though they were unrelated companies, and even in competition with one another. Each country can only tax the profit made by the parts within its borders. Multinational corporations exploit this by shifting profit into their parts located in tax havens in order to underpay tax – with over a trillion US dollars shifted offshore every year.

Pay-where-you-play replaces the arm's-length principle with two components: 'unitary tax' with 'formulary apportionment'. Unitary tax does away with the charade and treats the multinational corporation as one entity, as a multinational corporate group made up of all its local parts. The question then is: who gets to tax this unified profit? This is addressed with formulary apportionment, which allocates to each country where the multinational operates a portion of the profit to tax. The apportioning is based on a formula that takes into account things like how much of the corporation's workforce, assets and sales are in the country – the bigger the presence of these, the bigger the portion. Together, unitary tax with formulary apportionment sees multinational corporations get taxed in the places where they genuinely do business. – *Tax Justice Network*

their tax rates by modernising from 'pay-where-you-say' to 'pay-where-you-play'. The change would mean multinational corporations would have to abide by the tax laws of countries they do business in for the first time in decades, and so the amount of tax countries collect from multinational corporations would effectively fast-forward several decades to catch up with and accurately reflect the higher levels of profits modern multinational corporations make today.

The biggest sums would be gained in higher-income countries, while the biggest impacts would be felt in lower-income countries, where the smaller sums would increase the amount of corporate tax the countries collect annually from multinational corporations several times over.

High-income countries would increase the corporate tax they collect from multinationals a year by 21%, bringing in at least $140 billion more in tax a year; upper-middle-income countries would increase by 31%, bringing in at least $112 billion more. Meanwhile, lower-middle-income countries would triple the amount they collect, bringing in at least $61 billion more; low-income countries would quintuple the amount they collect, bringing in at least $3.6 billion more a year.

To further put the scale of tax revenue into perspective, countries that received grants from the US under the Marshall Plan to help rebuild postwar Europe would collect the inflation-adjusted equivalent of what they received at the time every two years.

India would collect $43 billion more a year, increasing its tax revenues from multinationals by 194%; Brazil $17 billion (+62%); South Africa $8.9 billion (+85%); Nigeria $2.5 billion (+641%); Kenya $1.3 billion (+406%); Jamaica $0.31 billion (+587%).

Alison Schultz, one of the study's authors and research fellow at the Tax Justice Network, said: 'We're not changing multinational corporations' tax rates, just where they should pay them, and the result is huge, with almost every country benefiting, precisely because these corporations have been taking profits out of countries and into accounting "nowhere" zones for decades now. Multinationals make us all economically insecure when they extract economic wealth out of our countries and fuel billionaire-backed authoritarianism preying on that insecurity.

'The UN tax convention is taking a stand by simply asserting that the "where" matters – our shops, offices and factories and the people working in them, where global profit is locally made, matter. Trump and his ilk might not like it, but democracy started with a fight for just taxes – no taxation without representation – and the UN is carrying on that torch today by demanding local representation on global taxation.'

Countries agreed to move decision-making on global tax rules to the UN and away from the OECD, a small club of rich countries and tax havens, after two decades of failed attempts by

the OECD to reform the global tax system it built. While reform attempts by the OECD refused to move away from the 'pay-where-you-say' approach and instead focused on adding guardrails to the obsolete approach, the UN tax talks have made more progress in just three years of negotiations than the 20-year OECD process was allowed to entertain. The UN tax convention is scheduled to go to a final vote next year.

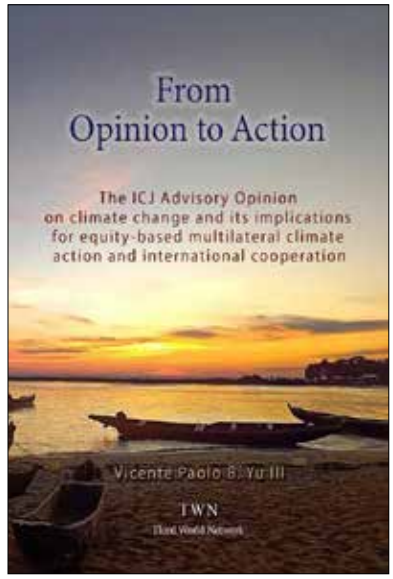
The study identifies a handful of countries – tax havens and a few countries with an 'HQ bias' – that would collect less tax under 'pay-where-you-play', but simply increasing their corporate tax rates to moderate levels like those of other countries would offset these losses. These jurisdictions that have operated as tax havens for decades – and have cost the world $3 to $18 in lost tax revenue for every dollar they collected – would no longer be able to tax the billions in profits shifted into their borders from around the world, but nonetheless would bring in the same amount of tax revenue by moderately taxing only the profits genuinely made within their borders, just like the rest of the world. This shows how inefficient and wasteful the tax-haven model is, the Tax Justice Network says.

PSI's Bertossa added: 'Under the archaic rules that exist, we have seen the cycle repeated a thousand times: a multinational wins a government contract, immediately diverts public money offshore through internal loans, related-party transactions and other profit-shifting tricks, and then turns around to plead poverty when it comes time to pay decent wages and invest in the workforce capacity needed to actually deliver quality public services.'

The PSI–Tax Justice Network report, *A 500-billion-dollar decision for the world: The revenue impacts of global unitary taxation* by Alison Schultz and Alex Cobham, is available here. – *Tax Justice Network* ◆

From Opinion to Action

The ICJ Advisory Opinion on climate change and its implications for equity-based multilateral climate action and international cooperation



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A landmark Advisory Opinion delivered by the International Court of Justice (ICJ) in July 2025 declares that the obligations of States to address climate change arise not only under the international climate treaties but also from the broader corpus of international law, including customary international law thereby strengthening the legal foundations of global climate action. This was welcomed by the United Nations General Assembly (UNGA) in May 2026 resolution which represents a major political endorsement of the Advisory Opinion. The resolution provides a pathway for multilateral follow-up to advance compliance with States' climate obligations in light of the Advisory Opinion.

This collection of three papers explores the significance of the ICJ opinion and UNGA resolution, including the ICJ's reaffirmation of common but differentiated responsibilities between developed and developing countries, and its examination of State responsibility for breaches of climate obligations, including for loss and damage due to climate change. The papers underline the opportunity these developments present to strengthen the multilateral response to global warming through urgent, equitable climate action.

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Available at: https://twn.my/title2/books/pdf/From_Opinion_to_Action.pdf

A trillion reasons to tax the super-rich

A world where one person can amass a trillion-dollar fortune while billions live in poverty is a world in need of a wealth tax.

Anthony Kamande

IF your net wealth is $1,000, it'll take you about 17 minutes to count it; a little over a day if it's $100,000; and 12 days if it's $1 million. It would take Elon Musk, the first-ever dollar trillionaire, more than 38,000 years non-stop to count all of his more than $1,200,000,000,000 wealth (his net wealth as of 12 June 2026). His wealth rose by more than $400 billion in just a few hours on 12 June 2026.

To contextualise this further, Musk is now $300 billion wealthier than 3.8 billion people in the world. If he were a country and his wealth were the GDP, the one-person Republic of Musk would be the 20th-largest economy in the world. If he were to spend $1 million per day, it would take him more than 3,280 years to exhaust his wealth. One of my friends said that for him losing $10 in one night would be a disaster. Feels like a joke, but not for billions of people.

In 2024, my colleagues and I at the aid organisation Oxfam projected that we would see the first trillionaire in a decade. We did not think it would happen quite as fast, but it's no surprise to those of us who have been following and speaking about the dangerous inequality explosion.

Since the turn of this decade, we have seen a massive concentration of wealth at the top. In nominal terms (i.e., not adjusted for inflation), the world's billionaires' wealth is now 2.5 times higher than at the start of 2020, having grown from $8 trillion to more than $20.1 trillion as of 12 June 2026, according to data from the *Forbes* billionaires list.

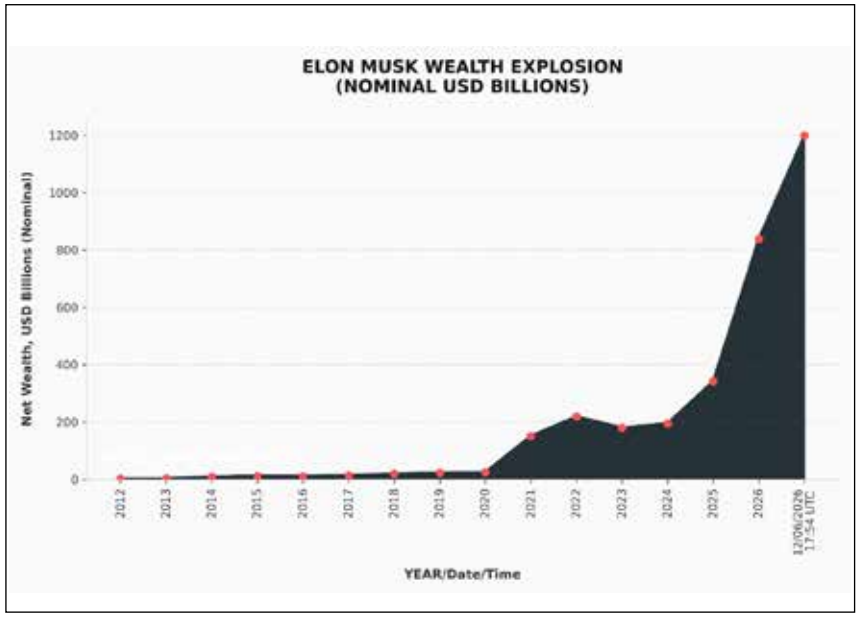


Gage Skidmore (CC BY-SA 4.0)

Elon Musk's wealth surpassed a trillion dollars in June 2026.

Just imagine what such wealth in the hands of a few people can do to the world. For a start, it can buy influence and political power. Politicians will do your bidding, and government policies can easily be used to appease you. The media – even if not under your full ownership and control (although much of it may be) – will be paying attention to every word you say, and the world will be keenly following it. That could mean influencing an election in some distant land, sowing division and deciding what people talk about and how. These are not hypothetical examples: seven of the top 10 biggest media companies in the world are owned by billionaires.

No person should have such a massive amount of wealth – it's too corrosive. Too dangerous.



Trillionaires and extreme poverty in the same world

Even as we get the first dollar trillionaire, the rest of the world is suffering. Globally, nearly 3.8 billion people are living in poverty, 2.3 billion lack enough food, and 3 billion people are facing a housing crisis. And governments are dealing with bankruptcies.

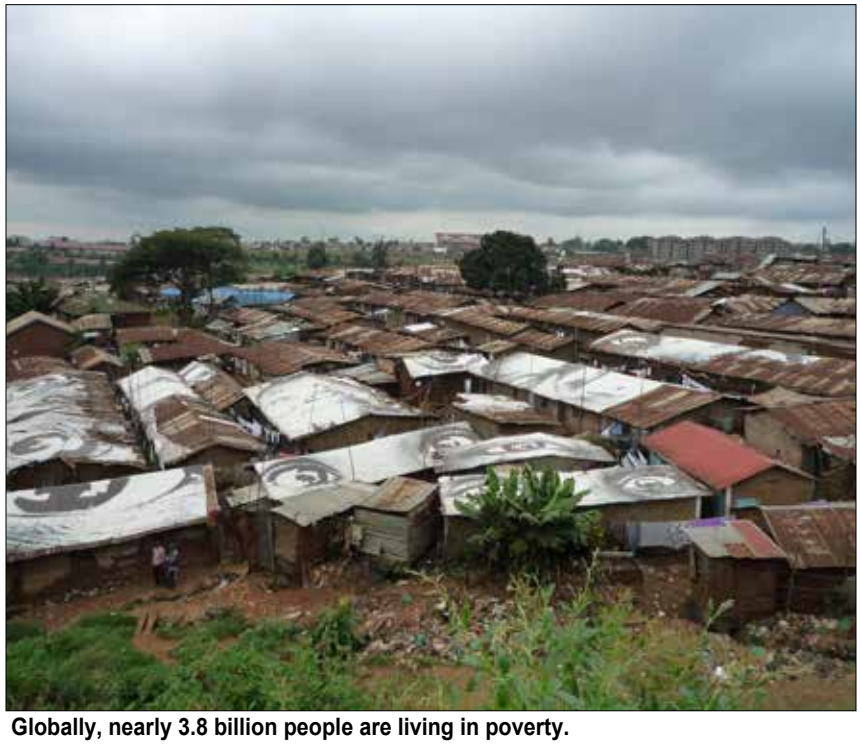
The ongoing war in the Middle East and the closure of the Strait of Hormuz have sent food and energy prices soaring, hitting workers and poor people, especially in the world's poorest countries, the most. Extreme hunger and poverty are expected to rise.

While this is happening, the stock market has hit a record high, further cementing the wealth of the richest. It's the irony of the world we are living in: too much suffering and too much pain for the majority and too much wealth for a few.

This massive accumulation of wealth is due to bad policies by governments, especially the powerful ones. Mega-corporations and their wealthiest owners have enjoyed lower taxes, and benefited from deregulation and government subsidies. Musk himself is a big beneficiary of the American taxpayers. This has enabled him to build his empire.

Oxfam's research shows that about 60% of billionaires' money is not merited. It has been gained through cronyism, monopoly and inheritance – these are takers, not makers.

It's a free market for the rest of us and a welfare state for the richest. Nobody should lie to you that billionaires are the most hardworking, most innovative people in the world.



Stefan Magdalinski (CC BY 2.0)

Globally, nearly 3.8 billion people are living in poverty.

It's time to tax the super-rich

Tackling wealth accumulation and investing in the common good, like healthcare and decent, affordable housing, is what governments should be doing. It requires decisiveness and bold policy.

A permanent wealth tax on the super-rich can help keep inequality in check, especially if it is designed in a progressive way where the rates paid by billionaires and trillionaires are far higher than for those that are 'merely' multi-millionaires or centi-millionaires. A much higher rate of tax would be needed to actually reduce inequality – the economist Thomas Piketty has recommended a permanent tax on billionaires of 20%.

The money generated from such a tax could mean a lot to billions of people and governments. Just as a thought experiment, a one-off 10% tax on Musk's $1.2 trillion would raise $120 billion – enough to end extreme poverty in the world for a year. He would still be a trillionaire.

Any wealth tax should be accompanied by other measures, such as regulations to break up monopolies and oligopolies that hinder fair competition and exploit consumers, and stronger protections for workers' rights.

Finally, governments must set clear timebound targets to rapidly reduce inequality and monitor progress. They should aim for a Palma ratio of 1 or below – this means the top 10% would not earn more than the bottom 40%. That means that, on average, a person in the richest 10% will still be four times richer than someone in the bottom 40 percent. Far from perfect equality, but much better than today, where the richest 10% can be five or 10 times richer than the bottom 40 percent.

The world cannot afford trillionaires, or indeed billionaires, while the majority of people sleep hungry and tens of millions die from preventable diseases. Governments need to take bold action. And we citizens must demand they do the right thing. ◆

Anthony Kamande is Inequality Research and Policy Advisor at Oxfam International. This article is reproduced from Equals.

UN talks see divergences over taxing high-net-worth individuals

Taxation of the ultra-wealthy was a thorny issue during the most recent round of negotiations for the UN tax convention.

Maria Syed

THE first negotiating session for discussing Article 6 – on high-net-worth individuals or HNWIs – of the proposed UN Framework Convention on International Tax Cooperation saw strong divergences between developing and developed countries over the article's scope, strength of commitments, and definitions.

Developing countries largely advocated robust, mandatory language and clear operational mechanisms, while many developed nations preferred a more flexible, cooperative approach emphasising national sovereignty and avoiding duplication of existing standards.

The UN Intergovernmental Negotiating Committee (INC) in its fifth meeting (3–13 August) worked on the 'zero draft' of the Framework Convention, i.e., the initial text put together from a series of informal meetings (mostly conducted online) over several months. Presided over by the Co-Lead of Workstream I on the Framework Convention, Daniel Atwere Nuer (Ghana) who is also INC Vice-Chair, the session on Article 6 asked Parties to share their views on the text of the article, which aims to address challenges posed by HNWIs in international taxation, including issues of tax evasion and avoidance, and calls for cooperation among countries.

(The INC has three workstreams: one each on the core instrument, i.e., the Framework Convention, and on two accompanying Protocols on taxation of income from cross-border services and on the prevention and resolution of tax disputes.)

At the start of the session, the Africa Group of countries, supported by several other developing countries, expressed strong criticism, stating that the current text was 'watered down' from what had been submitted by the Group in the informal sessions. They called for a Party-driven process to ensure concrete outcomes, stressing the need for mandatory obligations for countries to 'develop and implement measures' to address HNWI taxation, rather than merely 'cooperating to enhance' efforts. They also sought clear definitions and specific mechanisms for information exchange.

In contrast, the European countries and others such as the United Arab Emirates and Japan advocated for a scope that focuses on sharing knowledge, capacity and best practices. They preferred a flexible framework that respects national tax sovereignty and relies on established international standards, cautioning against rigid definitions or mandatory minimum provisions that might not suit countries at varying levels of national development.

Many developing countries, however, stressed that there is a significant gap in tax revenue from HNWIs and that this is part of the currently fragmented global tax landscape that needs to be addressed by the Framework Convention.

Throughout the INC session, civil society interventions, especially by the Global Alliance for Tax Justice, stressed that there are in fact no truly international standards on many crucial aspects of taxation, and this is precisely why the Framework Convention is needed – to build 'an inclusive, fair, transparent, efficient, equitable and effective international tax system for sustainable development' as mandated by the UN General Assembly.

The Africa Group, represented by Zambia, and supported by Nigeria, Kenya, South Africa, Ghana, Burkina Faso and Morocco, proposed changes to paragraphs 1, 2 and 3 of Article 6.

Paragraph 1 currently reads: 'States Parties shall cooperate to enhance measures to detect, deter and prevent tax avoidance and evasion by high-net-worth individuals.' More proactive and mandatory language was proposed, replacing 'shall cooperate to enhance' with 'shall develop and implement'.

Paragraph 2 reads: 'The States Parties shall share general information regarding structures and techniques used by high-net-worth individuals to avoid and evade taxes.' The change urged was to delete the word 'general' before 'information' to ensure that the exchange of information is not limited to basic data but includes actionable, taxpayer-specific data for combating tax evasion.

Paragraph 3 reads: 'The States Parties shall explore coordinated approaches to ensuring effective taxation of high-net-worth individuals while respecting each State Party's sovereign right to determine the design, structure and level of taxation within its national tax system.' The proposed change required the term 'explore' to be replaced with 'adopt', and called for deletion of the final clause on tax sovereignty, given that tax sovereignty is already adequately covered under Article 2 of the Convention. (Tax sovereignty in this context would have meant the flexibility to not have a tax on HNWIs.)

Several Parties from the Asia-Pacific region also articulated their positions on Article 6. India requested a clear and objective definition for HNWIs, proposing its inclusion either directly in Article 6 or within Article 3 (on definitions). Like the Africa Group, it proposed amending the language in paragraph 1 from 'cooperate to enhance' to 'develop and implement', and demanded the deletion of 'general' in paragraph 2.

Pakistan supported India and the Africa Group in advocating stronger language on 'develop and implement', removal of 'general' from paragraph 2, and deleting redundant sovereignty clauses in paragraph 3.

The Philippines and Papua New Guinea called for defining HNWIs in Article 3 and recommended moving paragraph 3 to the beginning of Article 6 as the main statement of intent to emphasise coordinated approaches.

Indonesia echoed calls to delete 'general' in paragraph 2 and remove repeated sovereignty mentions in paragraph 3, while also requesting clear, objective criteria (such as wealth, income or assets) for the HNWI definition.

Singapore proposed referencing applicable existing tax agreements in paragraph 2 to build upon established exchange mechanisms, and suggested deferring HNWI definitions to future specific protocols rather than imposing a rigid definition immediately.

The UAE and Japan supported focusing Article 6 on sharing knowledge, capacity and best practices rather than establishing rigid definitions or mandatory minimum levels of taxation.

China stressed that exchange of information must strictly comply with domestic and international legal norms, noting that coordinated approaches might not suit varying national development levels.

The Republic of Korea welcomed the shift to 'cooperate to enhance' in paragraph 1 and supported explicitly respecting national tax sovereignty as outlined in the current text.

From the Latin American and Caribbean region, Brazil aligned with India and the Africa Group, proposing to replace 'shall cooperate to enhance' with 'shall develop and implement' in paragraph 1. It further requested the deletion of 'general' in paragraph 2 and urged the removal of the sovereignty reference in paragraph 3 to preserve its operational force.

Jamaica suggested restructuring Article 6 and emphasised the necessity of clearly distinguishing between legal tax avoidance and illegal tax evasion.

Honduras strongly backed Article 6, deeming it vital for developing nations and pushing for strong commitments ('develop and implement'), the deletion of 'general' in paragraph 2, the establishment of a common HNWI definition, and the removal of the repetitive sovereignty clause in paragraph 3.

Mexico offered a middle-ground formulation for paragraph 1: 'shall cooperate to support the development, enhancement, and implementation of measures'. It agreed with the call to delete 'general' in paragraph 2, focusing instead on exchanging systemic national practices.

Among the European countries, Switzerland supported the text on 'cooperate to enhance' in paragraph 1, and stated that information exchange should rely on established international standards.

Spain supported Article 6 and proposed adding the word 'progressive' to paragraph 3 to ensure progressive taxation of HNWIs.

Belgium, supported by Germany, Estonia, Austria, Czechia, France, Poland and Ireland, argued that tax sovereignty is a cross-cutting principle applicable to the entire Convention and proposed its placement in a dedicated standalone horizontal article rather than being repeated specifically in Article 6.

Czechia suggested changing 'shall share' in paragraph 2 to 'shall cooperate to share', and sought legal clarity on where HNWIs would be defined within the Convention framework.

Norway supported a flexible framework centred on the exchange of experiences and best practices regarding HNWI tax avoidance structures, rather than rigid operational details or specific definitions.

The deliberations on Article 6 underscored the deep divide between nations seeking strong, binding commitments for enhanced tax cooperation and those advocating for a more flexible approach respecting national discretion, which effectively includes the choice of not taxing HNWIs.

While many urge stronger, proactive language to 'develop and implement' measures against tax evasion, others prefer a more collaborative 'cooperate to enhance' approach. Significant debate also centres on the scope of information exchange, i.e., whether it should be specific and actionable or more general, and on the necessity of a precise definition for HNWIs. Underlying these discussions is the persistent tension around national tax sovereignty, with proposals for a unified, horizontal article rather than repeated clauses, reflecting the challenge of balancing global coordination with national autonomy. ◆

Maria Syed is a development economist from Pakistan specialising in international macroeconomics, feminist economics and global governance. Based in Berlin, she works as an economics consultant, researcher and policy advocate with the Third World Network, with the main focus on the international financial architecture.

A step towards tax – and climate – justice

The fossil fuel industry has struck a rich vein of profits even as its products continue to drive the climate crisis. The following is the executive summary of a report which calls for a surtax on the sector's earnings to fund climate action and spur a shift away from the planet-harming fuels.

AGAINST the backdrop of rising inequalities and the accelerating climate and environmental crisis, a report titled *Make Polluters Pay* and co-published by the Global Alliance for Tax Justice (GATJ) and the European Network on Debt and Development (Eurodad) proposes additional taxes – or surtaxes – on the profits of the fossil fuel industry. The purpose of these surtaxes is to speed up the transition away from fossil fuels, to increase equity and to generate additional revenue for the pursuit of sustainable development objectives and climate action. For example, if a 20% surtax had been applied on the global profits of the world's 100 biggest oil and gas companies since the adoption of the Paris Agreement on climate change, an accumulated $1.08 trillion of additional tax revenues could have been collected.



GuavaTrain

An offshore oil platform in the Gulf of Mexico. 'The fossil fuel industry's profits are extracted at the expense of a safe and stable climate.'

Mainstream environmental taxation policy, such as carbon pricing, often carries a high risk of regressivity, directly or indirectly placing disproportionate burdens on consumers and the poorest. This bias can lead to social injustice and insufficient environmental protection, and contributes to opposition to climate action and environmental protection more generally. In contrast, taxing the profits of polluting companies is a progressive, supply-side strategy that aligns economic responsibility with environmental harm.

With its excessive ecological footprint, the fossil fuel industry bears particular responsibility for the escalating climate and ecological catastrophe. Record profits for the industry over the past years have yielded significant returns to shareholders, while the sector's investments in the transition away from fossil fuels remain largely insignificant. Instead, the sector is further expanding its fossil fuel business, investing in more extraction and production. This is diametrically opposed to the need to accelerate the transformation of its business models away from fossil fuels.

The fossil fuel industry's profits are extracted at the expense of a safe and stable climate. But this is only part of the cost borne by society. Due to structural flaws in the current international tax system – including tax havens, harmful tax practices and loopholes – multinational corporations continue to significantly reduce their tax payments, avoiding paying their fair contribution to society.

The current international corporate tax rules are particularly problematic when it comes to the taxation of extractive industries. This system creates avenues for these companies to shift their profits away from the source country and into tax havens, depriving countries of crucial domestic revenues. This has an impact on countries all around the world, but hits particularly hard in the Global South, where public tax revenues are desperately needed to improve citizens' lives. Profit shifting in the fossil fuel sector flips the 'polluter pays' principle on its

head, with the polluter profiting and society at large paying for the damage.

A truly historic opportunity

The coming years offer a historic opportunity to rebuild the global tax architecture and to end the exploitation of the public purse by multinational corporations and climate polluters. A new United Nations Framework Convention on International Tax Cooperation is currently being negotiated with the aim of establishing an 'international tax system for sustainable development'. Such an agreement, which is set to be finalised by 2027, would open up an avenue towards binding global rules that can ensure equitable taxation of all multinational corporations; effective taxation of the super-rich; and international tax initiatives to promote sustainable development, including environmental protection and taxing the companies and polluters at the root of the global ecological collapse.

Effective climate action requires urgent transformation of the business models of polluting industries. At the same time, international tax rules must be reformed to become more progressive and equitable – ensuring they mobilise the financial resources needed for climate action and sustainable development. A surtax on profits from pollution offers a complementary fiscal climate policy tool that ensures payments from polluters for the damage they cause and incentivises fundamental changes to industry practices.

These kinds of fossil fuel profit surtaxes have already been introduced and implemented in Europe. For example, the so-called 'EU solidarity contribution' – the European Union's fossil fuel industry windfall profit tax levied in the fiscal years 2022 and 2023 – generated €28.66 billion in additional tax revenues. Profit surtaxes on the fossil fuel industry in Norway and the UK are other examples that show such taxes are feasible and effective.



Jeremy Sutton-Hibbert

'Effective climate action requires urgent transformation of the business models of polluting industries.'

Make Polluters Pay proposes a three-level approach to fossil fuel profit surtaxes, covering the global, regional and national levels.

Key recommendations:

- As a part of the UN Framework Convention on International Tax Cooperation, governments should introduce a 'polluter pays' surtax applied to the global profits of fossil fuel companies. The GATJ–Eurodad report illustrates a surtax of 20%, which – if it had been levied in the fiscal years 2022, 2023 and 2024 and applied on the world's 100 biggest oil and gas companies – would have generated an estimated $236 billion, $184 billion and $147 billion respectively. If the 20% surtax had been applied since the adoption of the Paris Agreement in 2015, an accumulated $1.08 trillion of additional tax revenues could have been collected. These revenues should form additional contributions complementing the currently highly inadequate international climate finance commitments. The report also argues that in line with the international objective to transition away from fossil fuels and accelerate action, the global tax should be gradually increased over time, and set to reach 100% by 2050.
- While the international rules are being negotiated at the UN level, governments around the world should immediately apply profit surtaxes on fossil fuel companies taxable in their own country. These taxes should be designed to coexist with the global-level surtax once this has been introduced.
- At the regional level, governments could determine a minimum surtax rate and coordinate its implementation. For the EU, that means continuing its 'EU solidarity contribution' with a minimum tax rate of 33% and a modified tax design, while integrating provisions for the future global-level surtax.

The full report, *Make Polluters Pay: Proposal for a Surtax on Fossil Fuel Industries' Profits* written by Markus Trilling, is available here. ◆

The pursuit of financial integrity

Joseph Stiglitz underlines the imperative of strengthening financial integrity – and how the negotiations on the UN tax accord can further this aim.

AS negotiations for a Framework Convention on International Tax Cooperation continue at the United Nations, we stand at a critical juncture in the global fight for financial integrity. The choices we make here – about transparency, accountability and fair global taxation – will shape not only the future of international cooperation, but the very capacity of governments to serve their people. This is a moment that demands both clarity about the failures that brought us here and courage to pursue the systemic reforms our world so urgently needs.

Global finance is currently skewed, as gaps, loopholes and shortcomings in rules and their implementation allow tax abuses, corruption and money laundering to flourish, and financial integrity has become one of the defining issues of our time – not because it is new, but because the costs of its absence have become impossible to ignore. When vast amounts of wealth can be hidden, shifted or stolen with impunity, we should not be surprised that trust in institutions erodes, inequality widens and democracy itself comes under strain. We are living through a moment when, once again, we are reminded of an old truth: 'Power tends to corrupt, and absolute power corrupts absolutely.' In the Trump era, we saw how disdain for transparency, the normalisation of conflicts of interest, and the open encouragement for tax evasion and corruption at the top corrode governance from within. The recent OECD/G20 agreement exempting US multinationals from the 15% minimum tax is a blunt example of this kind of coercive power in action.



Flying Logos (CC BY-SA 4.0)

'Global finance is currently skewed, as gaps, loopholes and shortcomings in rules and their implementation allow tax abuses, corruption and money laundering to flourish.'

But this problem is far bigger than any one country or any one leader.

The diagnosis is by now clear and well documented. Illicit financial flows, aggressive tax avoidance, money laundering, corruption and secrecy are not accidents or marginal abuses. They are the predictable systemic outcomes of a global financial system designed with loopholes, opacity and asymmetries of power at its core.

Weak financial integrity fuels extreme inequality by allowing those at the top to escape taxation, steal public resources, hide assets and launder money while ordinary citizens pay the price. It undermines climate action by depriving governments of the fiscal space needed for the green transition. It weakens sovereignty, as states lose control over their natural resources, their own tax bases and policy choices. And it corrodes democracy, as economic power is translated into political power, often behind closed doors and beyond public scrutiny.

That is why the question before us is not whether we should act, but whether we can afford not to act now. The scale of today's crises – economic, environmental, social and geopolitical – leaves no room for complacency. Financial integrity is not a technical issue to be postponed for better times. It is a precondition for addressing the defining challenges of our age.

Financial integrity in a time when multilateralism is under menace

We are discussing financial integrity at a moment when multilateralism itself is under attack. Around the world, there are forces seeking to divide us, to weaken international cooperation and to replace collective problem-solving with narrow national or private interests. The Trump administration withdrew from the UN tax talks although the rest of the world continues negotiations. Yet, the irony is obvious: the problems we face today are irreducibly global.

Climate change does not respect borders. Financial crises do not stop at customs checkpoints. Illicit financial flows move precisely because borders are porous to capital, even when they are closed to people.

This is why defending multilateralism is not an abstract exercise, but a practical necessity. Financial integrity and transparency cannot be achieved by any country acting alone, no matter how powerful. Unilateral action is important, but without cooperation and coordination, it will always be incomplete and vulnerable to circumvention. The race to the bottom in taxation, the competition to attract hidden wealth, and the tolerance of secrecy jurisdictions are collective action failures. They can only be resolved collectively.

Cooperation on financial integrity is also essential because it enables better policy choices domestically. When countries coordinate on tax rules, exchange information and agree on transparency standards, they expand – not restrict – their policy space. They make it possible to tax fairly, to regulate effectively, and to invest in public goods without fear of capital flight or retaliation. Financial integrity, in this sense, is not a constraint on sovereignty; it is a foundation for it.

And yet, there is now a growing recognition of the weaponisation of globalisation and international rules to cater to the whims of the powerful, where the strongest can exempt himself when inconvenient, and rules are enforced asymmetrically and with varying rigour depending on the identity of the accused or the victim.

Valid tools to enhance financial integrity get misused for nefarious purposes, as governments are able to impose financial sanctions, restrict access to banking institutions by International Criminal Court judges, use anti-money-laundering (AML) tools and laws to threaten and silence opposition, including statements that NGOs receiving foreign funding is a form of money laundering, and use asset forfeiture laws (especially those related to drug crime) to corruptly grab land and resources to benefit individuals or grab power for running drug enforcement agencies.

This calls for strengthening accountability – for the perpetrators, but also the victims and enforcers.

What needs to be done

We are not starting from scratch. Over the past years, there has been a remarkable convergence of analysis on what is driving illicit financial flows and what must be done to address them. The UN High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) made this unmistakably clear: tax abuse, corruption and financial secrecy are not isolated failures. They are systemic features of the global financial system. Likewise, the G20 Global Inequality Report, which I had the honour to chair, showed that weak financial transparency and fragmented tax cooperation are central mechanisms through which inequality is produced and sustained, between and within countries. The problem is not a lack of solutions. It is a lack of resolve to implement them.

First, transparency must become the rule rather than the exception. This means full and public disclosure of who owns what and where. Beneficial ownership registries – covering companies, trusts, foundations and similar vehicles – must be mandatory, verified and accessible. It means moving towards global asset registries that allow tax authorities to identify and track wealth across borders. It also means public country-by-country reporting by multinational corporations, so profits, taxes paid and real economic activity can no longer be hidden behind accounting fictions.

Progress has been made, particularly on automatic exchange of financial information, but asymmetries of access to the information still remain. Too much of the information is restricted and subject in the cases of much law enforcement request to goodwill to cooperate and share information, instead of compelled by rules and laws with accompanying accountability mechanisms.

Second, international tax cooperation must be fundamentally strengthened. The current system allows profits to be divorced from real economic activity, enabling large corporations and wealthy individuals to opt out of the social contract. Both the FACTI Panel and the G20 report underscore the need for coordinated approaches that ensure income is taxed where economic activities take place, and that minimum effective taxation standards apply in practice, not just on paper. Information exchange must be automatic, inclusive and useable by all countries, not restricted to a privileged few.

Third, illicit financial flows must not be treated as an unfortunate byproduct of globalisation. This requires common definitions, shared data, and coordinated enforcement against trade mispricing, tax evasion, money laundering, corruption and capital flight. It also requires holding accountable the professional enablers – banks, law firms, accounting firms – whose business models too often depend on facilitating opacity. Without addressing these enabling structures, enforcement will always lag behind abuse.

Taken together, these recommendations form a coherent agenda: one that restores fairness, strengthens sovereignty and rebuilds trust in public institutions. None of this is technically beyond our reach. What is missing is not knowledge, but political courage. If we are serious about reducing

inequality, financing climate action and defending democracy, then implementing these reforms is not optional, it is indispensable.

A historic opportunity: the UN Framework Convention on International Tax Cooperation

The capitulation at the OECD Inclusive Framework to exempt US multinationals from the global minimum tax has cost member countries billions in forgone public revenues, and in doing so has removed any last doubt that the failures of multilateralism represent a grave threat to national tax sovereignty.

And yet it is still possible for all countries to benefit by standing together in a collective defence of national tax sovereignty. The Africa Group's leadership at the UN has created the ongoing negotiations of the UN Framework Convention on International Tax Cooperation – and it is past time for the countries of the North to commit to an ambitious global deal to strengthen every country's taxing rights.

This negotiation represents a historic opportunity to rebalance global economic governance and to place financial integrity and transparency at the centre of the international agenda. Many of the issues under discussion – beneficial ownership transparency, a global asset registry, country-by-country reporting, automatic exchange of information – go directly to the heart of illicit financial flows and tax abuse.

It is not surprising that leadership on this agenda has come primarily from developing countries. They are, quite simply, the main losers under the current system. Their leadership has created a historic win-win opportunity: by standing together in collective defence of tax sovereignty, both North and South can benefit from stronger taxing rights, greater fiscal capacity and a more equitable global system.

Much of the rules that decide who has the right to tax multinationals' profits was designed by rich countries at a time when many developing countries were colonies. The double-tax agreements ensure that source taxation is limited, to the benefit of rich countries where multinationals' headquarters are located.

For developing countries, illicit financial flows are not an abstract concern; they translate into underfunded schools, fragile health systems, unsustainable debt and delayed climate action. The fact that ambition is strongest where the costs are highest should tell us something fundamental about the inequities embedded in today's global financial architecture.

But ambition alone will not be enough. What matters is the language and the legal force of what is ultimately agreed. We cannot afford conventions that merely 'explore', 'encourage' or 'consider' action. Financial integrity will not be achieved through voluntary guidelines or best-effort commitments. What is needed are binding obligations – commitments that require states to act, to implement and to be held accountable.

If the convention and its protocols rise to that challenge, they can lay the groundwork for a genuine reform agenda, one that restores fairness to the international tax system, closes the channels of illicit financial flows and rebuilds trust in global cooperation. If they fall short, we risk entrenching the very failures we claim to address. Compatibility with existing frameworks developed at the OECD cannot prevent meaningful reform from happening.

This process should deliver tangible win-win benefits to both developed and developing countries, and result in a fairer international tax system where the taxing rights are allocated between countries to reflect economic activities that take place there, from employment to sales to exploitation of natural resources.

The concept of value creation has been exploited by multinationals to cherry-pick where to host certain activities (from intellectual property management to global procurement), claiming that this is where value is created. The reality is that multinationals' profits are global in nature, and it's difficult if not impossible to attribute them to a specific country using the current transfer-pricing rules.

A fair allocation of taxing rights is one that recognises that the profits of multinationals are a result of supply and demand factors, from employment to sales, and hence the only fair solution is one that allocates the profits of multinationals between countries based on a formula that reflects these factors.

We must abandon the fiction that multinationals are collections of independent entities. We need to transition to unitary taxation with formulary apportionment, taxing corporations as single firms and allocating their profits based on a just formula.

This will require country-by-country information on the activities of multinationals to be available to all tax authorities, which could be achieved with the creation of a central public database for country-by-country reports, a commitment included in the Compromiso de Sevilla [the outcome document of the Fourth International Conference on Financing for Development held in 2025].

The framework convention can and should enable this paradigmatic shift.

Domestic responses: acting with ambition while building global solutions

At the same time, we must be clear: global cooperation does not absolve governments of responsibility at home. There is

much that countries can – and must – do unilaterally, even as international reforms advance. Governments can strengthen beneficial ownership registries, enforce existing tax laws, strengthen the work of anti-corruption bodies and AML and financial intelligence units, regulate professional enablers of secrecy, and make country-by-country reporting for multinationals public.

History shows us that transformative change often begins with political courage at the national level. Many of the policies we now regard as indispensable – from progressive taxation to financial regulation – were once dismissed as unrealistic or radical. They became possible because leaders were forced to recognise the scale of the challenge and the political pressure made them act accordingly. Today is such a moment. The concentration of wealth and power we see today is not sustainable – economically, socially or politically.

This message of ambition must run through everything we do. Financial integrity is not a narrow compliance agenda; it is about reclaiming the capacity of democratic states to govern in the public interest to deliver public services. The taxation of capital and the super-rich must work as a unifying strategy for mobilising democratic forces. It is about ensuring that those who benefit most from globalisation contribute their fair share. And it is about creating the fiscal and institutional foundations for a more equal, sustainable and resilient world.

We know what needs to be done. We know that the costs of inaction are enormous. The question is whether we will rise to the occasion. The stakes could not be higher – and neither could the responsibility we bear at this moment in history. ◆

The above is the text of a high-level keynote address presented at the United Nations Economic and Social Council (ECOSOC) Special Meeting on Financial Integrity at UN headquarters in New York on 4 February 2026.

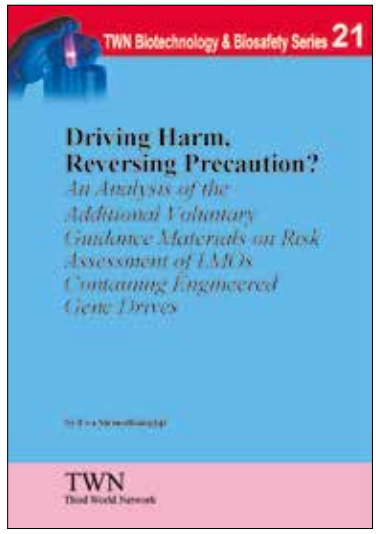
Joseph E. Stiglitz is an American economist and a professor at Columbia University. He is co-chair of the Independent Commission for the Reform of International Corporate Taxation (ICRICT), from the website of which the above is reproduced (www.icrict.com). He is a former senior vice president and chief economist of the World Bank, and a former member and chairman of the White House's Council of Economic Advisers. Stiglitz was awarded the Nobel Prize in Economics in 2001.

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Driving Harm, Reversing Precaution?

An Analysis of the Additional Voluntary Guidance Materials on Risk Assessment of LMOs Containing Engineered Gene Drives

By Eva Sirinathsinghji



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Living modified organisms containing engineered gene drives (EGD-LMOs) are designed to spread genetic modifications through wild populations and persist – a novel technology that brings with it fresh biosafety challenges. In light of these concerns, a set of guidance materials to support risk assessment of EGD-LMOs has been drawn up by a group of experts and welcomed by Parties to the Cartagena Protocol on Biosafety.

However, the guidance materials advocate a narrow approach under which only what are identified as 'plausible pathways to harm' are selected for assessment. This methodology fails to sufficiently address the central risks of gene drives arising from their very design objective – spread and persistence.

Instead of being limited in scope, risk assessment should cast the net widely to capture all potential harms of EGD-LMOs. Only then will it align with the precautionary principle that is enshrined in the Cartagena Protocol and that will ensure adequate protection from the possible adverse effects of this controversial technology on biodiversity and human health.

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Available at: https://www.twn.my/title2/biosafety/pdf/bio20.pdf

Mineral beneficiation: A pipedream of prosperity in an unequal financial architecture

Without transformational reform of the global financial system, 'local beneficiation' policies – aimed at retaining more of the economic value from mining projects within the source country – will not deliver on their promise.



Alexandra Pugachevsky (CC BY-SA 3.0)

The push for mineral beneficiation should centre the need for systematic reform of the current financial architecture.

Siddharth Akali

SINCE 2023, 14 African countries have introduced export restrictions on unprocessed critical minerals, requiring 'local beneficiation' – or in-country processing and manufacturing – prior to export, and demanding technology and financing.

Wealthier countries are also supporting the idea of local beneficiation and stepping up investments in resource-rich countries, promising this will help lift them out of poverty. Behind these promises, however, they are perpetuating a top-down economic model that only serves their own interests, and are reducing longstanding equity-based claims for climate justice and reparations from the Global South to a business opportunity.

Promoted by Western governments and executed through their development banks and corporations, this model pushes African countries further into debt, allows wealth to flow out through tax avoidance, and imposes policy changes that undermine environmental and human rights, while diverting scarce public resources away from hospitals, schools and social protection.

Geopolitical interests at stake

Currently, China is one of the world's largest producers and suppliers of critical minerals, controlling over 80% of the rare earth element supply. In response, Western nations in the G7 and their allies – who need to secure access to minerals for their growing energy, digital and military industries – are trying to reduce their dependency on China and stepping up investments in the mining sector across the Global South.

Amidst these geopolitical tensions, multilateral development banks (MDBs) are increasingly being used as a tool to advance Western government interests. In May 2026, the World Bank Group announced it 'will quintuple support to the sector in the next five years', while the African Development Bank is working to make critical minerals beneficiation central to Africa's industrialisation.

Development banks are mobilising support for mining and beneficiation in three main ways. Firstly, identifying and designing projects that can fit into global supply chains and are profitable for the private sector. Secondly, providing host governments loans to absorb risks from the private sector through public-private partnerships, and set up the associated energy and transportation infrastructure. Thirdly, under the guise of

providing 'technical assistance' as well as the conditionalities attached to loans, MDBs end up acting as shadow governments and pressure African governments to make industry-friendly reforms, including measures to fast-track projects.

A promise based on false assumptions

MDBs are opportunistically presenting critical minerals as a golden development opportunity for Africa. Their promises of prosperity, however, are built on two faulty assumptions.

The first is that there is infinite demand for critical minerals. In reality, projected demand has been overblown, leading to overinvestment in production capacity. For example, global manufacturing capacity for lithium-ion batteries is about two to five times greater than current demand, resulting in waste, overextraction, overproduction and lower prices. This suggests that mineral-rich countries will need to increase demand domestically, factoring in higher competition and reduced income for their products.

The second is that mineral-rich countries will be able to fund their essential social services and infrastructure through income from mining and beneficiation. However, debt servicing and the global tax framework (with business structures channelling profits to offshore investors) will likely suck up any economic value before reaching the marginalised communities who are facing poverty.

MDBs have historically pushed for extractive industries to be private-sector-led, leaving governments at the mercy of mega mining corporations whose capital far exceeds the gross domestic product of many African countries. These corporations are pushing mining host governments to compete with each other for more investments by reducing resource royalties, weakening environmental and social safeguards, and giving tax breaks to resource companies.



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Artisanal cobalt miners in the Democratic Republic of Congo. Local communities and indigenous peoples are being actively excluded from decision-making processes around critical minerals.

Significant portions of mining value continue to flow out as companies shift their profits to tax havens. Meanwhile the G7 and other wealthy countries have resisted efforts by Global South countries to increase their public revenues and tackle illicit financial flows through an inclusive, centralised UN tax convention, which would enable resource-rich countries to tax economic activities and profits generated inside their borders.

Additionally, key proposals for financing green industrial policy are further adding to African countries' debt burdens. Even when projects are implemented by private companies, governments are still expected to take on loans to develop the supporting transportation and energy infrastructure. These debts are usually denominated in US dollars, making it harder for countries to pay back the loans: the more debt they take on, the more their currency devalues against the dollar. Often the original creditors, who tend to be long-term institutional investors or governments, sell the debt at deep discounts for pennies on the dollar, leaving countries at the mercy of vulture funds who doggedly litigate to claim their full pound of flesh.

The focus on debt financing also means that only those projects that are profitable get financed; while others, including essential services like health and education, get left by the wayside. Cases such as Mozambique show that public services end up being cut when the promised income from resource extraction does not materialise. And in the absence of a functioning sovereign debt restructuring mechanism, countries need to pay back their debts before directing any increased income to public services.

Within this deeply unfair economic system, the biggest hypocrisy is that local communities and indigenous peoples – who are being promised prosperity in

exchange for giving up their lands, ecological resources and livelihoods – are being actively excluded from decision-making processes around critical minerals and beneficiation projects.

MDBs pay lip service to improving environmental and social safeguards, but then advise countries to reduce opportunities for public participation and access to information, citing the urgency of the climate crisis or the business case for streamlining environmental approval. As a result, those who are bearing the cost of projects on their land do not have opportunities to share their knowledge, present their concerns and meaningfully participate.

Secondly, environmental and human rights defenders are being stigmatised, accused of being 'anti-development', criminalised and attacked, for simply asking questions or suggesting how to improve green industrial projects. Governments are also pushing forward laws that improperly regulate civil society organisations in ways that limit their autonomy and independence and threaten their existence.

This silencing of communities and movements is restricting their ability to have a say in their own survival. It also breaks down trust and accountability required to ensure green industrialisation generates real prosperity for all.

Systemic reform and transformation

Local beneficiation is high up on the international agenda, from the declarations at the latest G7 and G20 meetings, to the more progressive stances in the African Union's Green Mineral Strategy and the UN's High-Level Meeting on Critical Energy Transition Minerals.

But none of these fora are centring the need for systematic reform of the current financial architecture. There are parallel



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The World Bank Group plans to quintuple support to the metals and minerals sector in the next five years. Multilateral development banks are opportunistically presenting critical minerals as a golden development opportunity for Africa.

conversations around increasing public resources through debt and tax reform, but these are decoupled from conversations on beneficiation. Meanwhile, it is noteworthy that in these parallel conversations, China is supporting a UN debt workout mechanism and UN tax convention, while the G7 countries are opposing these reforms. Given that China is already the market leader in critical minerals, African countries could pressure the G7 to change their position in exchange for greater critical mineral access.

One thing is clear: export bans are not enough. Without transformational reforms of this system, the promised wealth supposed to trickle down from critical minerals is not going to lift communities and countries out of poverty.

African countries and communities should demand three main systemic changes as a prerequisite to contributing to critical minerals supply chains. Firstly, they must push for an equitable global tax framework, to force resource-hungry billionaires and their companies to pay their fair share of taxes. Secondly, they should demand a sovereign debt workout mechanism, to free up sufficient public resources and guarantee universal social protection. Finally, governments and public financiers should take a more community-led approach to transform development, and provide direct, grant-based funding for communities' self-determined priorities. Local communities and Indigenous Peoples want information, meaningful decision-making power, and safe opportunities to shape their own development pathways. The goal should shift from how many tons of minerals are processed locally, to whether local communities in resource-rich territories can access food, water, energy, hospitals and schools. ◆

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The youth want a future

Behind widespread youth uprisings lies a stark contradiction: an economic system that protects capital while stripping young people of dignified work, community, and the confidence that tomorrow can be different.

Vijay Prashad

OVER the past two years, young people around the world have taken to the streets. From Kenya to Nepal, Indonesia to the Philippines, from Madagascar to Morocco, and in Peru, they rise up and march. Journalists label these uprisings 'Gen Z', as if they were a market segment. The term describes the youthfulness of the protesters, their fluency with digital platforms and their impatience with established political institutions. But it conceals more than it reveals about the politics of our times.

A generation is not a class – young people do not share a common socioeconomic experience. Moreover, these uprisings each have their own history. In June 2024, Kenya's protests were immediately provoked by the finance bill, which transferred the burdens of debt and austerity onto working people. In September 2025, anger in Nepal over the corruption and ostentation of political elites intensified after the government attempted to restrict social media. From late September 2025, young people in Morocco protested against the decay of public health and education while vast sums were directed towards preparations for the 2030 FIFA World Cup. That same month, demonstrations in Madagascar began over the failure to provide reliable water and electricity. In Peru, protests in September and October 2025 took aim at the political establishment, organised crime, and a pension system that takes young people's money but cannot promise security. These are not identical uprisings, but they share a common sentiment: there is money for stadiums but not hospitals, money to service foreign creditors but not to employ young people, money for the police but not for schools.

Corruption is the word most frequently brandished, but beneath corruption lies a social order that has foreclosed the future.

The pirate flag from the Japanese manga *One Piece* appeared in several of these protests. It is a curious emblem: the manga is about a band of young people who set sail to find a treasure monopolised by the powerful, confronting a world government that claims legality but practises violence. The flag does not provide a political programme, but it expresses a feeling: the established world is fraudulent, and an adventure beyond it has become necessary. Young people seem to be saying, 'Let us sail the high seas in search of a future that is not as hopeless as the present!'

The material basis for this feeling appears clearly in the International Labour Organization (ILO)'s new report, *Global Employment Trends for Youth 2026: Back to the Future*. After falling to its lowest level in more than two decades in 2023, the unemployment rate for people aged 15 to 24 rose to 12.4% in 2025. This means that 67 million young people were actively looking for work but could not find it. Youth unemployment increased between 2023 and 2025 in eight of the world's 11 subregions. However, the unemployment rate tells only part of the story, as it does not count those who have stopped searching. For this reason, the more revealing category is NEET: young people who are 'not in employment, education or training'. In 2025, more than 257 million young people – one in every five – were in this condition, nine million more than in 2023.

Behind this cold acronym are lives held in suspension. A young person completes school, searches for employment for months and discovers that no work is available. After stopping the search, they finally return to a crowded family home, postponing marriage, children and any independent life. Time passes but life does not advance. The burden is sharply gendered. More than two-thirds of young people in NEET status are women. The NEET rate for young women is 27.4%, more than double the 13.1% rate for young men. This is not because women lack education, but because unpaid care work, discrimination and the scarcity of decent jobs push them out of economic life.

In the Arab States and Northern Africa, roughly one-third of young people are in NEET status. In sub-Saharan Africa, official youth unemployment appears lower, at 8.4%. However, this is evidence of poverty-driven informality rather than an abundance of employment. Young people must accept, or create, whatever informal work they can find. Nearly nine out of 10 young workers in low- and lower-middle-income countries labour informally, outside meaningful social and employment protection. Many have been told that education is the ladder out of hardship. They borrow, study, acquire qualifications and sometimes migrate, only to encounter what the ILO calls the 'hollowing out' of middle-skilled employment. Employers demand experience from people seeking their first job, while artificial intelligence threatens some of the

entry-level occupations through which experience was once gained. Education raises expectations, but the economy cannot meet those expectations.

It is insufficient to describe youth disillusionment as merely a mental-health crisis detached from political economy. A 2025 UNICEF-linked survey of more than 5,600 young people found that six in 10 felt overwhelmed by current events, while only half knew where to find mental-health support. But 60% still said they remained hopeful and wanted to help shape a better future. The World Health Organization (WHO) reports that one in six people worldwide experience loneliness, with the rate rising to 17–21% among those aged 13 to 29. Contrary to popular perceptions, loneliness is greatest in low-income countries. Loneliness is associated not only with depression and anxiety but also with low income, inadequate public infrastructure, and exclusion from education and employment.

Loneliness is not simply the absence of company; it is the feeling that one is dispensable to society. The young person is connected to thousands of people through a smartphone but disconnected from the institutions that permit a dignified life: the workplace, the union, the neighbourhood association, the cultural centre and the political organisation. The market offers communication without community and visibility without agency.

This loneliness is deepened by a wider condition of uncertainty. Even the institutions that speak in the language of capital register this instability. The World Uncertainty Index counts references to 'uncertainty' in country reports produced by the Economist Intelligence Unit, a research service used by corporations, financial institutions and governments. Its spikes accompany war, financial crises, pandemics, political ruptures and trade conflicts – the very crises that make daily life precarious for millions.

But the uncertainty measured by capital is lived very differently by the working class. For financiers, uncertainty means that an investment might lose value, but for a young worker it means not knowing whether there will be work next month, whether rent can be paid, whether there will be food on the table, or whether war or the climate will destroy their home. The ruling classes measure uncertainty while producing it.

The so-called 'Gen Z' uprisings are the political arrival of a generation whose future has been foreclosed. Their revolt is not yet an organised project. Spontaneous anger can move towards solidarity and socialist reconstruction or it can be captured by cynicism, chauvinism and the far right. The decisive question is whether durable organisations can transform the loneliness of the screen into the fellowship of struggle.

These uprisings have been accompanied by a range of poets and performers: Hamza Raid and El Mahdi Lyoubi from Morocco, Eduardo Ruiz Sáenz from Peru (killed by the police during the 2025 protests) and Javan the Poet from Kenya. Javan's 2019 poem 'Killer Breed' captures the resoluteness of the youth. The poem – written in Sheng, Kenya's urban vernacular that combines Kiswahili, English and other Kenyan languages – is about the violence visited upon the young rebels by a recalcitrant and corrosive state:

Citizens na law no love, land cruisers zimekuwa hearse
Kuferry body bags forest grounds zimeja body parts
Si watu Ni animals Kwa killer squads'
Poo poo kushoot na kutoa bullets kwa throats
Alafu Kwa media wanakuwa applaused
Hakuna light Kwa end ya tunnel iko closed
Hakuna change Kwa youth heart yake imekuwa stopped
Hakuna justice Kwa years za cases ziko paused
Nikupe ID? Wee ukifichia eyewitness badge number
Kwa crime scene openly identity unaseal
Inamean hauko right system Ni dark haina light
Si na guns but our voices zita challenge your might.
Juu Wewe Na Wewe Na Wewe Na Wewe
Si Enforcers
Wewe Ni killer breed
Wewe Ni Killer breed
Wewe ni killer breed

Citizens and the law: there is no love.
Land Cruisers have become hearses,
ferrying body bags.
The forest grounds are filled with body parts.
Not people, but animals
to the killer squads.
Poo! Poo! they shoot,
pull the bullets from throats.
then, in the media, they are applauded.
There is no light
at the end of the tunnel;
the tunnel has been closed.
There is no change for the youth:
their hearts have been stopped.
There is no justice:
their cases have been paused for years.
I give you my ID?
while you hiding your badge number from the eyewitness.
At the crime scene,
you openly conceal your identity.
That means you are not in the right.
The system is dark; it has no light.
We do not have guns,
but our voices will challenge your might.
Because you, and you, and you, and you:
You are not enforcers.
You are a killer breed.
You are a killer breed.
You are a killer breed. ◆

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Pardoned by Trump and escaping charges at home, ex-Honduran leader's case shows a nation's struggle for sovereignty

The controversial return to Honduras of a former president who was jailed in the US and later pardoned by Donald Trump intensifies concerns over Washington's interventionism in Latin America.

Laura Blume

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A HONDURAN judge on 1 September 2026 dismissed a sprawling money-laundering and fraud case against the country's former president Juan Orlando Hernández. It was the latest stroke of good fortune for Hernández.

Hernández returned home in late July after an eventful four years outside Honduras. He was extradited to the United States in 2022 following a multiyear, nonpartisan US investigation. In 2024 he was convicted of cocaine trafficking and related charges and sentenced to 45 years behind bars in the US. Yet after serving only 18 months of his sentence, Hernández was pardoned by US President Donald Trump.

Hernández remains a forceful power broker behind the scenes of the current Honduran government, led by President Nasry Asfura of the right-wing National Party.

Yet as a scholar of Latin American politics, I believe Hernández's return to Honduras, and his successes evading legal accountability, are emblematic of something broader than impunity for elites: His case demonstrates the struggle for sovereignty in a country facing a renewed form of US intervention.



Alan Santos / PR (CC BY 2.0)

Ex-president Juan Orlando Hernández remains a forceful power broker behind the scenes of the current Honduran government.

Politics under the shadow of US intervention

Hernández's return to Honduras on 26 July was symbolic. He landed at Palmerola International Airport, which shares its runway with the Soto Cano Air Base, a longtime staging ground of US interventions in Honduras.

While Hernández was greeted by National Party supporters, for many Hondurans his pardon and return to the country were seen to undermine hopes for justice and adversely affect the political process.

When Trump first announced plans to pardon Hernández, it was on the eve of the Honduran elections in November 2025. In another sign of meddling from Washington, Trump endorsed Asfura and threatened to cut off aid to Honduras if A sfura, who was trailing in opinion polls leading up to the elections, did not win.

On 1 December, the day after the election and with Asfura and centre-right politician Salvador Nasralla locked in a technical tie as vote counting continued, Trump issued a full pardon for Hernández. US officials then hurried to provide special immigration protections for Hernández, and a specialised tactical team drove him from a West Virginia prison to the luxury Waldorf Astoria hotel in Manhattan.

Back in Honduras, the pardon was seen as a 'green light for the National Party to manipulate the vote', as a former high-ranking US diplomat told ProPublica. Trump's actions signalled that Washington supported the National Party's engagement in electoral manipulation, as election observers and academic experts say

happened in 2017 with Hernández's unconstitutional second presidential term election.

Following weeks of suspicious delays and fraud allegations, Asfura was announced the winner on 24 December 2025, by a margin of less than 1 percent.

A legacy of impunity in Honduras

Although free from the US justice system, Hernández still potentially faced charges in Honduras.

On 9 December, the Honduran attorney-general reactivated an international arrest warrant for Hernández over charges of fraud and money laundering. These charges are part of the corruption case known as Pandora, a scheme that embezzled $12 million in public funding and allegedly diverted that money into political campaigns, including Hernández's 2013 presidential campaign.

Previous Pandora trials accused major National Party figures, yet during Hernández's presidency a special appeals court dismissed the cases. But under the left-leaning administration of Xiomara Castro – from 2022 to 2026 – Honduras in 2023 indicted former National Party presidents Hernández and his predecessor, Porfirio Lobo.

Hernández remained in the US until his international arrest warrant was suspended, returning to Honduras shortly before his initial trial. On 12 August 2026, the Public Ministry confirmed the charges against Hernández and presented 48 pieces of evidence. Yet after two weeks, the court dropped the charges against Hernández.

With the National Party back in power, few believed Hernández could be held accountable in Honduras, particularly given that the Honduran judicial system is plagued by targeted violence that undermines the rule of law. Indeed, impunity is virtually guaranteed for the wealthy and powerful. And that is something Hernández helped ensure.

Under his presidency, Honduras passed legal reforms specifically reducing sentences for money laundering and protecting politicians from investigations for embezzlement. Foreshadowing the likely outcome of Hernández's trial, Lobo was acquitted days before Hernández's return.

The right-wing push for the region

Although Hernández's trial is over, controversy over his return remains. That's in part because of explosive new allegations that surfaced in May 2026.

The Spanish media outlet Canal Red released 37 audio messages allegedly with the voices of politicians, including Asfura and Hernández. According to the leaked audio files, a scandal known as HondurasGate, Hernández's return was merely one part of an international scheme to undermine left-wing Latin American governments and expand foreign militarisation in Honduras.

Those implicated dismiss the files as AI-generated propaganda. While independent analysis suggests the files are likely authentic, valid suspicions from independent sources have emerged casting doubt on their veracity.

Regardless of the HondurasGate audios' authenticity, much of what they outline echoes wider concerns over external pressures reshaping the region's politics and expanding militarisation.

Trump has been open about seeking to secure right-wing allies throughout the Americas. Weeks after pardoning Hernández's narco-trafficking, the Trump administration raided Venezuela to arrest President Nicolás Maduro on alleged narco-trafficking charges. Meanwhile, the US continues to use sanctions in Cuba in an aggressive push for regime change on the island, and has used varying degrees of influence to try to affect elections in places from Colombia to Brazil.

In Honduras, the National Party – and especially Hernández – has been a willing partner in tying its own national priorities to those of the US and close US allies, including Israel. Hernández cultivated strategic importance as an ally of Israeli Prime Minister Benjamin Netanyahu and Trump. Israel and the US have long provided military technology and security aid to Honduras, and both are expanding military involvement there.

Recently, Honduras signed a memorandum expanding defence cooperation with Israel, and US Secretary of Defense Pete Hegseth announced agreements for joint military operations on Honduran, Colombian and Guatemalan soil, similar to ones in Ecuador.

The motivation behind Trump's support for Asfura's election and Hernández's return is also related to advancing controversial charter zones in Honduras known as ZEDEs, the Spanish acronym for Zones for Employment and Economic Development. Trump allies in Silicon Valley, including Peter Thiel of PayPal and Palantir, are leading investors in Próspera, one of the ZEDEs.

Passed in 2013 under Hernández, the ZEDEs are a highly contested sociopolitical experiment; they create spaces of privatised governance within Honduras that essentially forfeit Honduran sovereignty to US tech titans seeking havens from government regulations and oversight.

The ZEDEs were deemed unconstitutional under the Castro administration, leading Próspera's billionaire investors to sue

Honduras for nearly $11 billion. Now, with the National Party back in power, a renewed corporate push is underway and the ZEDEs are moving forward rapidly, including in Afro-Indigenous territories.

A warning for the region

Ultimately, Hernández's case shows the extent to which a right-wing vision is currently winning in Honduras and, from critics' standpoint, the risks that vision poses to democratic governance and sovereignty.

As foreign corporations and billionaires secure access to Honduran resources, average Hondurans are struggling. There have been massive politicised layoffs in the public sector. Doctors in the public health system report going months without pay since President Asfura, who also named himself secretary of health, entered office. Meanwhile, private healthcare and agribusiness have received multimillion-dollar government contracts.

At the same time, ongoing US immigration crackdowns are hurting the Honduran economy, which is heavily dependent on remittances. While Hernández remained in the US until he was safe to return to Honduras, the same is not true for thousands of Hondurans who are being deported, often despite fears of violence.

Yet while ordinary Hondurans face rising insecurity, including increasing homicides and disappearances, a special unit of Honduran forces was designated to protect Hernández.

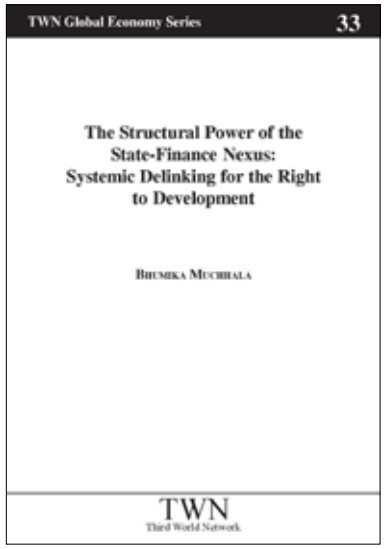
That's the privileged political environment Hernández spent his career building – and from which he again directly benefits back in Honduras. ◆

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Global Economy Series no. 33

The Structural Power of the State-Finance Nexus: Systemic Delinking for the Right to Development

By *Bhumika Muchhala*



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The current era of financial hegemony is characterized by a dense financial actor concentration, an exacerbated reliance of many South countries on private credit, and an internalized compliance of South states with financial market interests and priorities. This structural power of finance enacts itself through disciplinary mechanisms such as credit ratings and economic surveillance, compelling many South states to respond to creditor interests at the expense of people's needs.

As a human rights paradigm, the Declaration on the Right to Development has the active potential to redress the structural power of finance and the distortion of the role of the state through upholding the creation of an enabling international environment for equitable and rights-based development on two levels of change. The first comprises structural policy reforms in critical areas of debt, fiscal policy, tax, trade, capital flows and credit rating agencies. The second area of change envisions systemic transformation through delinking as articulated by dependency theorist Samir Amin, which entails a reorientation of national development strategies away from the imperatives of globalization and towards economic, social and ecological priorities and interests of people.

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Available at: https://www.twn.my/title2/ge/pdf/ge33.pdf

The fight to clean up the damage of US war in Laos

With scant resources and limited public awareness, a small network of grassroots activists is working to clear Laos of the bombs dropped during the US war in Indochina.

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Brendan Maslauskas Dunn

IN the city of Phonsavan in northern Laos, May Sinoun, a 107-year-old woman with a gentle smile, leans forward on her chair. She tells how she survived one of the most intensive bombing campaigns in world history.

'During the war, if we stayed at home, we had to sleep in pits or holes,' she says. 'At night, even a small light could be dangerous. One person died because the plane saw the light and dropped bombs. If we fell down, we would cover ourselves with grass to pretend to be dead.'

From 1964 to 1973 the US led a massive bombing campaign along a supply route it called the Ho Chi Minh Trail. 'Operation Barrel Roll', as it was called, provided support to a CIA-led clandestine army in efforts to subdue the communist Pathet Lao and Northern Vietnamese fighters. The vast majority of victims, however, were civilians.

May Sinoun survived the blast from a bomb dropped on a school she was in, but her friends were killed in front of her. She is reminded of the bombing daily. 'I have wounds from that time,' she says as she squints her eyes and contorts her body. She points to her arms, shoulders and back, where the pain is most intense. Shrapnel has worn down her muscles for over half a century.

Daily reminders of the war are ubiquitous in Sinoun's province of Xieng Khouang. The ancient Plain of Jars is covered in bomb craters and a number of funerary jars thousands of years old cracked by the blasts. Defused bombs are scattered across the province, used as construction material, garden beds and as decoration in cafes. Spoons and chopsticks in restaurants are made by melting down aluminium from the bombs.

But the deadliest reminders of the war are hidden in the mountains, farms and villages of Laos. Millions of bombs never blew up. Most of them lie just beneath the surface in Xieng Khouang and surrounding northern provinces, and in the southern regions of Laos that border Vietnam. Finding and removing the bombs is a labour-intensive, slow, dangerous process. At the height of the antiwar movement, activists demanded the US government come up with a long-term postwar plan to remove the bombs. Decades after the movement subsided, a small network of grassroots activists has continued to advance the demand under incredibly challenging circumstances.

The most-bombed country in history

'Laos is the most heavily bombed country per capita in history,' said Sera Koulabdara, who leads Legacies of War, an organisation dedicated to finding solutions to the long-term impacts of the American war in Vietnam, Cambodia and Laos. 'The US dropped more than 2.5 million tons of ordnance across 580,000 bombing missions – equal to a planeload of bombs every eight minutes, 24 hours a day, for nine years.' In total, across the three countries, the US military dropped some 13 million tons of ordnance.

Locals who survived the war say that 'everything' was bombed – houses, ancient temples, hospitals, farms, schools, entire villages. The ancient city of Xieng Khouang was completely levelled by the US bombing campaign, save for the crumbling remains of some old stupas, a temple and a few French colonial buildings.

One of the more devastating legacies of the war is the unexploded ordnance, or UXO, which still claims lives in Laos every month. It's estimated that over 30% of the ordnance dropped during the war did not explode. 'Today vast amounts of land remain contaminated with unexploded ordnance,' Koulabdara said. 'It continues to pose a threat to citizens in all three countries, with many survivors permanently disabled and their families impoverished.'

On a backcountry road in Xieng Khouang, trucks filled with workers stir up clouds of dust as they navigate the crumbling asphalt. The workers will spend the next few weeks finding and defusing bombs in a remote mountain village. Thousands of government and NGO workers risk their lives daily in the nerve-wrecking hunt for UXO.

Koulabdara's organisation coordinates with a vast patchwork of NGOs, volunteers, grassroots organisations, activists and government workers who are dedicated to making Laos bomb-

free. Koulabdara said the group brings together 'veterans, members of the diaspora community, government officials, students, artists and supporters from across the globe'.

If the work continues at its current rate, however, it is projected to take 1,000 years to clear Laos of UXO. This is a fact that weighs heavily on the people who live and work among the bombs.

The rebellion of the 1960s

Demands for the US to make reparations and clean up the millions of bombs scattered all over Southeast Asia once emanated from the ranks of a mass antiwar movement in the US and communist liberation movements in Southeast Asia.

At its peak, the US antiwar movement was ablaze with resistance on many fronts. Students, workers, the Black Freedom struggle, the feminist movement and the broader New Left rose up in the political whirlwind of the time, not only calling for an end to the bloodshed, but at times openly declaring support for the communist movements in Southeast Asia. Organisations like Students for a Democratic Society swelled to nearly 100,000 members.

In May 1970, more than 4 million students launched a mass strike in response to the US expansion of the war into Cambodia and Laos, and the FBI's increased political repression of the Black Panther Party. Protests were held at over 700 US colleges and universities. Occupations of buildings, mass teach-ins about the war and pitched battles with the authorities were common.

The strike turned deadly at Kent State University when the National Guard opened fire on demonstrators, killing four. Eleven days later, police killed two students at Jackson State University. In total, nearly 100 people were wounded by authorities across the US during the May strike.

George Katsiaficas was deeply active in the antiwar movement and the New Left, struggles he has chronicled and theorised about in a host of books and articles. In 1972 he was invited to attend a conference in Versailles called the World Assembly for Peace and Independence of the Peoples of Indochina.

At the conference, he witnessed a deep and sincere form of solidarity in practice and was inspired by the speeches given by Vietnamese revolutionaries. It was there that he learnt about cluster munitions – the kind that are still killing people in Laos today.

'The Vietnamese gave me a three-inch-high stack of photos about cluster bombs,' Katsiaficas said. He recalled being told 'we don't think the American people know about this' and being urged to educate them when he returned home. Although there was some public knowledge of the US using cluster bombs in Southeast Asia and even actions targeting their production, Katsiaficas said this was the first time he learnt about them.

He was horrified. Cluster bombs are designed to open in midair and release smaller 'bombies' over an area as large as five football fields. The bombies are filled with plastic and fiberglass shrapnel so they could not be detected by X-ray. They are specifically designed to kill and injure humans.

'I was outraged at the US government. I'm still outraged,' Katsiaficas said. He went back to the US and gave the information on cluster munitions to other activists who created brochures and distributed them en masse. He and other activists drove across the US in a speaking tour to mobilise local antiwar and activist groups to protest the 1972 Republican and Democratic Parties' national conventions. Education about cluster munitions became part of their presentation.

'People were genuinely shocked,' he said. 'Outrage, I would say, was the main reaction that people had. Indignation, you know, digging their heels in to really fight against the war. It just made people more determined than ever that the United States was evil.'

As more people became aware of cluster bombs, more protests were organised against their use.

Sera Koulabdara said that over the years, this mass organising, educational work and advocacy to pressure the US government for reparations and cleanup has certainly helped her group and other NGOs secure US funding to address these 'legacies of war'.

The revolt of American soldiers who turned against the war was also at the heart of the movement.

Susan Schnall was a lieutenant and nurse in the Navy during the war, and now serves as president of Veterans for Peace. She made headlines in 1969 when she was dismissed from the Navy for wearing her uniform at a veterans antiwar march in San Francisco. She later launched a daring action with two other activists where they flew a plane over military bases in the Bay Area and dropped thousands of antiwar flyers. 'When I look back on it, I think we were just very, very lucky that they didn't shoot us down,' Schnall said. She organised alongside other GIs and healthcare professionals, joining the Medical Committee for Human Rights and the Medical Aid for Indochina, which sent medical supplies and aid directly to North Vietnam.

As the war progressed, and as more Americans began to see what the US military was doing in Southeast Asia as mistaken, futile or inhumane, GI resistance surged. Vietnam Veterans Against the War and other antiwar veterans groups formed, and GI coffeehouses and underground newspapers sprung up across the country to organise soldiers against the war. Increasingly, more soldiers went

AWOL, refused orders or refused to fight. Morale broke down in the military. In 1970 alone, the Pentagon reported 209 fraggings (targeted killings of officers by soldiers). There were 65,643 desertions from the Army that same year. This was the largest form of soldier-led resistance to a war in the history of the United States.

The mass antiwar movement and GI resistance played a critical role in hastening the end of the war. The military conflict finally ended in 1975, but economic sanctions and political isolation became US policy in the region for decades. Vietnam, Cambodia and Laos lay in ruins, UXO continued to kill and maim, and the US reneged on the Paris Peace Accords agreement in its promise to give $3.25 billion in reconstruction aid to Vietnam. No similar aid was ever promised to Laos.

From national liberation to NGOs

Fifty years after the war's end, the demands for reparations are now muted. The movement has long since faded away, and the communist forces in Southeast Asia became consumed by bureaucracy and state power, replacing the revolutionary language of Marxism and liberation with the capitalist language of development and finance.

With no mass antiwar movement using disruption and direct action to pressure the US government to address the legacies of war, a small network of volunteers and grassroots activists have filled this void and turned towards raising public awareness, lobbying and directly assisting with UXO education and removal on the ground in Laos.

In the 1990s the US started to change its policy towards Laos, Vietnam and Cambodia and work more closely with its former foes. As more money for international aid and development began to trickle in, NGOs became increasingly dominant in efforts to clear UXO. While these shifts have benefited people most at risk from UXO, they also come with strings attached.

Susan Hammond's organisation, the War Legacies Project, was once offered a $20,000 grant from a development consulting firm that she calls a 'DC Beltway bandit for-profit corporation'. Her organisation was slowed down by bureaucracy and constraints set by the donors. 'I would never do it again,' she said. 'A lot of the funding that's going to Vietnam right now and Laos is going through these for-profit entities. NGOs are all having a really difficult time, and so they tend to not want to take on issues that might be sensitive.'

Funding to clean up UXO in Vietnam often comes from the Department of Defense and USAID, Hammond added. 'They don't do it for any kind of reparations, or even feel guilty by any means. It's a way for them to get closer to the Vietnamese military.'

This also happened in Laos when President Barack Obama visited the country in 2016 and pledged over $90 million in aid to address UXO. The closer political relationship between both countries has been beneficial for American corporations as they vie to establish new markets, and for the US military and government as they work more closely with Laos in a US-led attempt to counter Chinese dominance in Southeast Asia.

Activists have to grapple with the ethics of getting funding from the US government, and in particular from agencies like USAID, which was central to the war operation in Southeast Asia.

Susan Schnall said that Veterans for Peace had an opportunity to apply for a grant from USAID to assist survivors of the effects of Agent Orange. 'We had major issues and disagreements, and some people … wouldn't take the money. Then there were others of us that said we need to take care of these children. We need to clean up the land.' In the end, the money was not offered.

When President Trump froze funding to USAID and UXO programmes in Laos in early 2025, the limitations of doing work contingent on funds from the US government became painfully clear to people in Laos. Thousands of de-mining workers were taken out of the field, programmes were shuttered and many NGOs heavily scaled back their operations or halted them altogether.

Legacies of War took a series of actions to reverse the funding freeze, Koulabdara said. 'When many partners hesitated to go public, we stepped forward – using our voices, our credibility and decades of collective experience to reframe the national conversation on US foreign aid and war legacy. We refused to allow the narrative to be so narrow.'

Legacies of War put pressure on the US government through public education and delivered a letter signed by 17 former American ambassadors to Vietnam, Cambodia and Laos to Secretary of State Marco Rubio, urging him to continue funding UXO removal.

The funding began to flow again after months of mounting public pressure and organising, and a Supreme Court decision upholding a lower court's ruling that the Trump administration must release over $2 billion in frozen funds.

What will it take ultimately to make Laos bomb-free? It's a difficult question, but there is an acute sense from volunteers on the ground that it will take much more than increased education, awareness and funding.

Another mass movement could address the war legacies in Southeast Asia and also stop current wars, interventions and support for genocide. Until that day comes, the people of Laos must shoulder the bulk of the burden, clearing one bomb at a time. ◆

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Water apartheid and green colonialism

From the occupied West Bank, *Farah*, *Noah* and *Calico* examine how Israel uses water to dispossess Palestinians of their lands and livelihood – and how they are resisting.

This article was first published in Red Pepper as part of its exclusive series 'Breaking the Sword in Occupied Palestine' focusing on occupation and resistance in the West Bank. It was published in partnership with the International Solidarity Movement (ISM).

FOR decades, Israel's settler colonial and apartheid state has denied Palestinians the basic right to water. Water apartheid is a deliberate system of state-led policies that restrict a racialised population's access to water while privileging another group's claims to it.

Mekorot is Israel's national water company. In an era of dangerous climate change, the state-owned corporate enterprise markets itself as a pioneer in innovation and sustainability. In reality, Mekorot is an engine of water apartheid.

Mekorot was set up in 1937 and chartered with the purpose of serving those of 'Jewish race and descent' before the formal establishment of the Zionist settler colonial state. Today, it diverts water from Palestinian villages and cities to illegal Israeli settlements while simultaneously barring Palestinians from their own aquifers and natural springs.

We spoke to farmers in the Jordan Valley as we harvested fields together. Ibrahim provided an example: 'A few years ago, Israeli forces carried out a severe operation here. They entered the town with over 30 bulldozers and dozens of soldiers to destroy and confiscate the city's waterlines.'

In Palestinian communities that are not connected to the water grid, average daily water consumption is a mere 26 litres per person, similar to disaster zones. In nearby Jewish-only settlements, Israelis consume 10 times as much per person. Mekorot ensures the illegal Zionist enclaves are adorned with swimming pools, watered lawns and lush gardens.

The infrastructure to divert water away from Palestinian villages was consolidated following the 1967 Naksa ('Setback') when the Israeli military issued orders asserting total authority over all water resources. Since then, Palestinians have been required to obtain military permits for even the simplest form of water system. They are near-universally denied.

In the West Bank, Israel's permit regime ensures attempts by Palestinians to reclaim sovereignty over water are met with state repression. Mekorot then collects money by selling water back to Palestinians. In Gaza, even before the genocide, 97% of water was undrinkable, a result of Israel's blockade and destruction of sewage treatment plants.

The Israeli army besieges Palestinian water systems by cutting pipes, demolishing cisterns, confiscating tanks, blocking community connections, preventing repairs and filling wells with concrete. Zionist settlers also poison water sources, dump sewage onto Palestinian fields, kill animals and throw carcasses into wells to make water bacteria-laden and hazardous.

Attacking water has always been a key page in Israel's colonial playbook. From Operation Cast Thy Bread, the 1948 microbiological poisoning of Palestinian water sources, to the bombing, theft and commodification of water sources today, Zionism has waged environmental warfare against Palestinians from the outset.

Green colonialism and Indigenous erasure

To launder its international reputation, Israel greenwashes the damage it does to Palestinian land, life and water. It brands itself as an environmental steward by boasting of technological innovation, ecotourism and climate smart agriculture. The reality is much darker.

Hamid, a Palestinian researcher we interviewed, described the situation: 'Israel calls itself "green" while it steals our water, uproots our trees, and turns our land into unmanageable parks and settlements. They are selling the world "sustainability", but here we live with broken water pipes, poisoned fields, and wells that are stolen from shepherds and farmers at gunpoint … If you want a glimpse of "green colonialism", come to Palestine.'

Green colonialism is the extension of the colonial relations of plunder, dispossession and

dehumanisation in the era of the so-called green transition. In simple terms, the costs of 'going green' are absorbed by peripheral countries, communities and populations. Today, Israel rationalises water theft, land grabs and resource extraction through discourses of 'green' development, sustainability and conservation.

Zionism has long deployed environmentalist narratives and racist tropes to mask and justify colonial violence. The myth of 'making the desert bloom' is a foundational piece of propaganda that disavows Palestinian presence. By denigrating the indigenous Palestinian population as primitive, savage and stolid, the Zionist movement sold itself as a civilising force that could tame the wild frontier and exercise mastery over nature.

After 1948, the Jewish National Fund (JNF) spent decades planting millions of non-native European pines over the ruins of razed Palestinian villages. In the short term, the Zionist state was covering up mass graves and ethnic cleansing. In the long term, it was attempting to erase ancestral memories and prevent the return of Palestinian refugees.

The JNF's imported pine trees were also a crass attempt to 'Europeanise' the landscape. Only 10% of the trees planted by the JNF are native to Palestine, and the non-indigenous species reduce biodiversity, are highly flammable, acidify soils and consume significantly more water than Palestine's natural semi-arid flora.

Israel's 'green' agenda is thereby attacking the conditions that sustain Palestinian life, extinguishing Palestinian place names and manufacturing scarcity and material deprivation more broadly. As Salwa, a Palestinian university student, told us, 'The occupation is using nature reserves and archaeological sites to steal water, cover up crimes and wipe Palestine off the map.'

Fighting back 'from below'

Across Palestine, resistance to water apartheid grows from a colonial reality that the Israeli occupation tries to disguise through corporatised claims to security and sustainability. Palestinian communities live near springs, aquifers, wells and pipelines, yet the Zionist occupation controls the infrastructure and decides who can drink, irrigate crops and ultimately remain – and at what cost.

Israel rationalises water theft, land grabs and resource extraction through discourses of 'green' development.

Israeli military rule, settlement expansion and Mekorot's tight grip over water turn a resource managed sustainably for centuries by Palestinians into a weapon. Palestinians, however, refuse to view water theft as 'business as usual'. As Nadim, a long-time union organiser, explained to us: 'The only way we will survive is not only to protect the water we have, but start taking it back.'

This resistance is often practical because water is practical. A repaired pipe can keep remote families in their homes. A restored spring can keep rural farmers and shepherds on threatened land. A cultivated field can block Israeli legal justifications for confiscation. Such acts may seem small, but they are defending the material basis of Palestinian life.

In the Jordan Valley, communities have organised water marches after attacks on infrastructure and started campaigns around the right to water. These mobilisations expose the central lie of water apartheid. Palestinians do not suffer because the land, water and local ecosystems cannot sustain their ways of life. They suffer because the Israeli occupation is stealing territory and resources, then killing Palestinians who resist.

Resistance also works through mobilising and building institutions 'from below'. Palestinian farmers' unions support agricultural workers, defend wages, move produce to market, secure health insurance and pursue legal claims. Local community committees offer mutual aid when families lose access to water and face pressure to leave.

Grassroots resistance and solidarity networks make a major difference because the Zionist movement has historically attempted to sever Palestinian life and land relations. Collective organising rebuilds social power across communities where the Israeli apartheid regime is attempting to create isolation.

The defence of natural springs, cisterns and wells carries specific force. In villages where Zionist settlers target natural springs and cisterns, Palestinians protect them through regular use, repair and collective presence. A water well used by a community is much harder to seize, rename or fold into a settler landscape.

In addition to survival, water has become a key source of political struggle and inherited memory. It binds Palestinians to their intergenerational biocultural heritage, strengthens their ancestral relationships with the land, and will forever remain a cornerstone of Palestinian sovereignty, self-determination and struggle. ◆

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Women's daily lives in a refugee camp: Attacks, shortages and queues

Katharina Wilhelm Otieno documents the plight of Sudanese refugee women in Chad.

HAWAYAYA Souleyman reports that she, her husband and their six children spent eight days fleeing Sudan in September 2023. Their home village in the Sudanese state of Gharb Darfur is located 30 kilometres from the Chadian border town of Adré. The family fled on foot. Three of their children did not survive that week. They were killed by a bomb.

For three years now, Souleyman has lived with her husband and their surviving children in Aboutengue, one of the largest refugee camps in the Chadian border region of Wadai. As of the end of January, it was home to 43,200 people. The 33-year-old Souleyman says that she feels more or less safe there, though collecting firewood in the surrounding bush is dangerous. Attacks are frequent, she explains, so women go only in groups. She herself once had to flee from men who were approaching her group.

During their escape from Darfur, Souleyman reports, fighters with the RSF militia in Sudan repeatedly abducted women and girls from the group that she and her family were travelling with. Some came back, others did not. Souleyman was spared.

To avoid having to expose themselves to such dangers again, it would be better if women no longer had to go out and collect firewood at all, but were instead provided with it by the aid organisations in the camp, says Souleyman. But their aid supplies are usually inadequate and often come too late, she adds. There is a serious shortage of basic necessities on the ground: water, medication, food and cash.



Mathieu Carbasse (CC BY-SA 4.0)

Aerial image of the Aboutengue refugee camp in Chad.

As a result, Souleyman spends her days looking for things. The first half of her day is usually spent queuing for water at wells. It is often 1 pm by the time she gets home, sometimes without water, if there wasn't enough for everyone. In the afternoon, she frequently goes into the forest to look for firewood, or she walks through the camp to places where she's heard that aid organisations are distributing soap, food or cash.

Souleyman's three remaining children sometimes attend the camp school, but nowhere near regularly. Her husband doesn't have a job, but he doesn't help out at home, either. Like almost everyone in the camp, Souleyman is a Zaghawa. The Zaghawa are an ethnic group that primarily earns its living through livestock farming and maintains a patriarchal structure. It is above all the Zaghawa and Masalit who are

being targeted by the RSF militia in the Darfur region. Amnesty International and other human rights organisations are using the term ethnic cleansing; the UN is warning of genocide.

Souleyman hopes to either return to her home in Sudan one day or at least find work in Chad, like a field she can cultivate.

The dangers of gathering firewood

Manaïl Youssouf lives a few tents away. The 25-year-old comes from the same village as Souleyman and fled a few months before her. Youssouf's husband does not live in the Aboutengue camp. Some time ago he went to northern Chad with other men to work in goldmines in the hope of supporting his family. The Youssouf family's children are five and two years old. The youngest, who was born in the camp, is malnourished and receives outpatient care in one of the camp's clinics.

The care of the family members remaining in the camp now falls to her. Manaïl Youssouf's brother and mother also live in Aboutengue. Both were partially paralysed by a bomb attack on their house in Sudan and have, in Youssouf's words, 'lost their memory'. They are receiving psychological treatment in the camp.

Youssouf herself was shot in the leg whilst fleeing; the scar will remain visible. She reports that her arrival at the camp was in no way the start of a safe life. For example, she was once chased by two men while collecting firewood, though she was able to get away.

Youssouf sells the wood she collects; it is her only source of income. Life in the camp is expensive, she says. She reports that strangers keep turning up at the tents and theft is rampant. The money that families receive at the end of the month is nowhere near enough, she continues. At the time of the conversation in January, it amounted to around $85 per household. Depending on the funding situation, families may only receive this money every two months.

Youssouf's greatest wish is to resume her studies one day. Before the war broke out, she had begun studying law. Until then, she's hoping to find work in Chad in order to support her family.

Sexual violence remains the greatest risk

Ndjepa Dinga Toloun works as a midwife in Aboutengue. Pregnancy rates in the camp are high, even though aid organisations like the International Rescue Committee (IRC), which she works for, provide family planning counselling. 'Nevertheless, only one in two men accompanies his wife here, which is a problem,' Toloun says.

It is stiflingly hot under the tarps of the makeshift women's clinic in Aboutengue. The beds are planted in sand and flies buzz around. Raick Bell, who works as the lead physician for the IRC in Aboutengue, considers the lack of medical infrastructure one of the largest problems for women and girls in eastern Chad. Especially since Western donor countries made massive cuts to their development budgets, there has been a shortage of medication, beds, midwives and delivery wards.

Bell and Toloun agree, however, that sexual violence is the greatest risk to women and girls in the refugee camps. According to Toloun, five or six cases of rape are reported every week on average in the IRC women's clinic. She also reports that women often find themselves in dangerous situations especially when they are collecting firewood.

But men also rape refugee women within the camp. Zara Fadoul Moussa brought her 16-year-old sister to the clinic. The perpetrator was a tent neighbour, 18 or 19 years old. The 31-year-old and her younger sister knew him. The younger sister is now pregnant. In such cases, the IRC also offers psychological care. Zara Fadoul Moussa says it was simply fate.

Revenge through sons

Just the previous day, Denise Remadji Madjimbaye reports, she helped deliver a child whose mother was raped by a soldier in Sudan. Madjimbaye directs the IRC's women's and maternity units in Aboutengue and in the small town of Farchana, another refugee camp location.

However, the high birth rates in the camps in Chad cannot be attributed solely to rape, she says. 'We lack staff to provide education about sensible family planning.' What's more, she continues, many families have lost many of their members. The survivors see it as their duty, to some extent, to make up for the losses by having more children in order to have more support and wage earners in the household over the long term.

Camp staff also report that many are hoping for newborn sons – so that they can one day take revenge for the injustices done to the Zaghawa.

Hawayaya Souleyman is once again two months pregnant. She says she actually didn't want another child while she is still unable to properly care for her remaining three. The pregnancy was her husband's decision. Nevertheless, he has agreed to use permanent contraception after this baby. ◆

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Resistance reimagined in wax

Batik makers in Indonesia are reclaiming the traditional textile artform from colonial appropriation and redirecting it towards narration of local collective memory.

Noandha Dhegaska



Noandha Dhegaska

The Battle of Surabaya depicted on batik, coloured in red to represent blood, bravery and resistance. This batik is read from right to left to show the escalation of events, starting with the Yamato Hotel Incident in September 1945 until the battle erupted.

I HAVE always wondered how memories can be remembered and conveyed unconventionally. It turns out, as an Indonesian, the answer has always been so close.

When I settled back in Surabaya after my studies, a friend was eager to take me city-walking for old times' sake to visit a batik workshop she had heard of. It was late in the day when we came across the small workshop in an alley in Kranggan, Bubutan, close to the city centre. Its owner, Ridi Sulaksono, was hanging a large fabric bearing a sketch of the Battle of Surabaya. Beside the cloth were some finished batik pieces; one illustrated an old market and a *gapura* (traditional Indonesian gate), the other depicted Patih Gajah Mada, legendary leader of the Majapahit Empire, lifting a keris into the air.

Since 2022, Ridi's workshop, Batik Orang Kranggan or OKRA, has been designing and creating contemporary batik; a more flexible canvas where memories and political meanings are continually rewritten by local creatives. For him, these narrative depictions of Surabaya on fabric become a commemorative medium that preserves collective struggle.

'This is the Surabaya that was described in the stories of my forefathers, told through the medium I'm learning,' Ridi explained. 'My family has always lived here through generations, ever since Kampung Kranggan was a part of the former royal palace, Keraton Surabaya. It is a time we can never go back to. But at least we can imagine how it was and keep remembering.'

The encounter reminded me that batik is a material culture laden with memory and philosophy, etched with symbols; something that colonial forces also appropriated. Contemporary batik positions itself against the lingering visual legacy of 'colonial batik': Indo-European batik designs that were introduced by the Indo-European wives of Dutch officers and are nowadays branded as 'Batik Belanda' or 'Batik Kumpeni'. Their designs included symbols of colonial modernity. A well-known example is the floral bouquet batik introduced by Eliza van Zuylen, which mimics the Art Nouveau aesthetic.

Batik OKRA reclaims this visual narrative aspect of batik design as a medium to express Indonesian memory from below as part of a broader decolonial effort.

Decolonising desire

Batik occupies an uneasy space between heritage, commerce, identity and power. Officially recognised by UNESCO in 2009 as an Indonesian intangible cultural heritage, it is often celebrated as a symbol of national identity and craftsmanship. Yet heritage itself can be political, carrying a selective memory that remembers certain histories while silencing others.

As material culture, batik contains traces of political encounter. During the Dutch colonial period, especially throughout the 19th and early 20th centuries, Indo-European communities began adopting and producing batik mostly for daily wear, be it domestic or commercial use. Floral 'buketan' motifs inspired by European bouquets became highly popular, alongside visual depictions of symbols associated with the European aesthetic, such as soldiers, guns, steamships and even fairytales. Initially catering to Indo-European families who sought to maintain their distinct style while adapting to the Indies, this form of batik gradually became a desired commodity in the local market, showing that coloniality eventually

shaped the market and taste.

Beneath the beautiful flowers and orderly soldiers lie deeper stories about colonial desire and power that slowly occupied the imagination. Through batik, colonial violence became aestheticised into something soft and intimate.

Colonial elites adopted batik, a deeply local cultural form, while inserting their own symbols and fantasies of authority into it. They attempted to become culturally familiar while maintaining distance and hierarchy. There is an irony embedded within this process; they admired Javanese aesthetics and local refinement, yet also sought to control and redefine them according to colonial standards. By incorporating batik into their lives, colonial elites seemed to insert themselves symbolically into systems of legitimacy that were never originally theirs.

The violence of colonialism emerged more subtly through aesthetics, markets, taste and desire. This is the psychological dimension of colonialism, an epistemic violence that reshapes how colonised societies imagine beauty and modernity through the values of the colonisers. Coloniality survives because it teaches people to desire the world through colonial frameworks.

As philosopher and psychiatrist Frantz Fanon described it, this psychology persists long after formal colonialism ends. Colonialism may disappear administratively, but coloniality lingers within imagination, cultural standards, even collective desire; such aesthetics continue to circulate as objects of refinement and prestige, often detached from the violence that originally produced them.

Using one's weapon against them

Batik was never a passive product of culture. Even within colonial structures, local artisans remained active participants in negotiating meaning and representation. During the construction of the Great Post Road (1808–11), the stones that originally lined the coastline, along with those assumed to be from *candi* (Buddhist or Hindu temples), were demolished and used as road material. People in Lasem, on the north coast of Central Java, began using batik as a mnemonic device, incorporating the stones into its pattern. This led to the creation of Batik Kricak, meaning gravel or stone fragments. The gravel is represented by white dots on the base pattern of the batik, which will be fused with other patterns and ornaments. Batik became a complex contact zone where cultural encounters between the coastal communities in Java and colonial oppression produced hybrid forms that were shaped continuously through negotiation. A clandestine method to preserve memory.

In a similar way, contemporary batik makers like Ridi are also intervening from below. Using visual narrative elements from Indo-European batik, which display marching soldiers and fairytales, Batik OKRA reclaims its storytelling potential for Indonesian historical memory. If colonial batik once spoke of colonial refinement and order, contemporary batik narrates raw, honest resistance from the colonised.



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Batik showing an imagined old market of Keraton Surabaya, by Ridi Sulaksono of Batik OKRA.

One of the most striking aspects of Batik OKRA is its scenic imagination of Surabaya before the Dutch arrival when the city was a space of trade, movement, local power and cultural encounter. This becomes important because colonial narratives often frame Indonesian cities as spaces that only became civilised through their intervention. Precolonial urban life is frequently erased and reduced to vague backgrounds before colonial modernity supposedly arrived.

Through these depictions, Surabaya's identity as an advanced colonial port city or battlefield of resistance is reimagined as a living landscape with its own historical continuity. The cloth quietly insists that history did not begin with colonial empire civilisation.

Batik OKRA also chooses to revisit one of the most charged moments within Indonesian national memory: the Battle of Surabaya of 1945. Illustrating the battle and anti-colonial struggle through images of guns and explosions, the batik transforms into a commemorative medium carrying collective memory into the present.

While colonial batik conveys colonial triumph visually through images of soldiers marching, in

this particular work that same visual language is appropriated and redirected towards Indonesian resistance. The medium remains familiar, but the historical gaze shifts entirely, framing it as a subtle act of decolonisation, and reclaiming who gets to narrate violence, struggle and memory.

'I didn't start as an artist. I was in the Air Force. It was after retirement that I got into batik. Perhaps this is where the true soul lies,' Ridi unfolds a finished batik as we discuss how he translates his understanding of violence into artwork on the Battle of Surabaya piece.

Ridi's background as a retired military officer also shapes the emotional texture of his works. His depictions of violence differ from the detached romanticism often found in colonial military imagery transformed into decorative prestige. Through Ridi's batik tool, known as a *tjanting*, conflict is expressed in direct, explosive emotions. Violence is remembered as something lived, endured and inherited collectively.

This distinction becomes important within contemporary discussions surrounding decolonisation – a concept that does not necessarily mean the outright rejection of all colonial-era cultural products. Rather, it requires critically understanding the structures of power embedded within them. The issue is not simply whether colonial batik is beautiful, but why certain symbols of colonial prestige continue to feel desirable in the present. The depiction of violence, figurative or not, may serve as a wake-up call in the decolonisation process.

Lasting legacy of a dogma

Coloniality survives because its aesthetic has been naturalised. Colonial symbols have over time become detached from their histories of domination and absorbed into everyday standards of beauty. Decolonisation therefore begins through critical awareness; it asks people to question how colonial violence continues to invisibly haunt the taste and historical imagination.



Stephen Kennedy (CC BY 2.0)

Batik makers in Ketelan, Central Java. Batik is often celebrated in Indonesia as a symbol of national identity and craftsmanship.

Contemporary batik has the potential to alter this unconscious taste shaped by colonialism. This demonstrates that Indonesian artists can reclaim visual storytelling from colonial frameworks and redirect it towards local histories. This might reflect broader shifts within Indonesian heritage discourse, particularly the growing emphasis on memory from below. Communities themselves participate in reanimating history through everyday cultural practices, oral memory, even tourism.

The batik is also loaded with Ridi Sulaksono's own heritage in Kranggan, Surabaya. Ridi draws depictions of markets and trade networks of old Kranggan in his batik from his family's stories passed through generations, making it a living archive. The cloth carries fragments of memory that official narratives often fail to preserve. It gives room for *rasa*, sentiments or feelings that allow history to circulate through intimate, ordinary life that is wearable.

It reminds us that resistance sometimes survives loudly through unforeseen ways, where wax lines trace forgotten cities, through the explosions of battle embedded into cloth. And with the appropriate media, appropriate rooms, violence may sometimes be spoken out loud to show the atrocities of oppression. Batik remains deeply political because it is deeply communal, as it takes up a big portion of Indonesian life as both a familiar garment and an identity.

Through its reinterpretation of Surabaya's past, Batik OKRA transforms batik into a living act of remembering by imagining. Who gets to narrate history and memory? Which symbols continue to define beauty and prestige in a postcolonial society? It does not end with Batik OKRA; contemporary Indonesian batik has the potential to demonstrate that we are all active participants in meaning-making, and we have the right to reinterpret taste shaped by coloniality. ◆

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