

Global Poverty and Global Tax Fairness as Economic Justice: A Southern Take on Transnational Institutionalism

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Abstract

Global poverty (GP) is currently, a fundamental, burning issue. Factually, GP has traditionally generated much discussions and prompted social scientists to conduct research. Interestingly, political/moral philosophers have also joined them—perhaps they were motivated by the thought-provoking Peter Singer’s work. Theorising on the magnitude of the problem, the thinkers have contended that GP is ultimately a moral issue, and have situated it within the fold of global economic justice. After much theorising to this effect, some Northern philosophers/thinkers have now concluded that the global rich actually have a duty of justice to address GP. A practical strategy for ensuring global tax fairness to this end is the global tax fairness proposal (GTFP). Briefly, these philosophers claim that: (i) some given good, service, or mode of activity (mode of life) should be taxed, and the proceeds used to cater for the global poor, and that (ii) fairness should underpin this taxation so that the tax burden is rich-inclined, rather than poor-inclined. Unfortunately, extant realities have shown that the burden of taxation is cleverly dodged by the rich, spurring philosophic works from the Northern perspective on a reversal. This present exercise aligns with this conclusion, from a Southern perspective, and has three objectives, which are to: (i) critically examine some conceptual/theoretical and practical issues involved in GTFP, (ii) propose a transnational institutionalist agency that would address the issues from a Southern perspective, and (iii) formulate a response to some likely concerns about the Southern proposal. As a normative research in development ethics/political philosophy, coupled with the institutionalist thesis as the theoretical framework, this study has adopted methods of critical analysis and reflective argumentation.

Keywords: economic justice; global poverty; global tax fairness; Southern take; transnational institutionalism

Introduction

As in domestic case, global inequalities of wealth and income cannot be separated from inequalities in political power and influence. Global capitalism is loosely controlled by institutional systems that set the rules that structure markets, determine ownership rights, and provide individual over the others (Cudd 2013, 168).

One of the basic outputs of global inequality in the modern world, as the quotation above suggests, is poverty, which is embedded within states and across statist boundaries. Interestingly, political/moral philosophers have also joined a group of social scientists and others, who have traditionally discussed global poverty. Perhaps, motivated by the thought-provoking Peter Singer's philosophic work, *Famine, Affluence, and Morality*, the political/moral philosophers have been relentlessly making efforts to foreground the magnitude of the problem. According to Illingworth, Pogge, and Wenar (2011, 3–12), globalisation and the spread of information technology have brought to the spotlight the massive disparities of wealth between affluent countries and nearly half of humanity that lives on, at most, 2.50 USD (2005 international dollars) a day. For Cullity (2004, 1):

Anyone who makes some effort to acquaint him- or herself with what the world is like will soon appreciate that, for many millions of people who live outside the cocoon of security and comfort that we enjoy, it is horrible: a wasteland of suffering, deprivation, and injustice.

According to World Bank Development Indicators (as quoted by Peters (2012, 175)), the wealthiest 20 per cent of the world's population consumes 76.6 per cent of the world's resources, while the world's poorest 20 per cent is left with 1.5 per cent. Given that poverty, which is contextually understood as un-chosen fundamental absences in the life of a human person, is connected to (deliberately structural/systemic, or non-deliberately structural/systemic) unequal distribution of needed values (especially economic), which impacts negatively on their general functionings and capabilities,¹ it ultimately connects with the concept of economic justice. I will elaborate on this connection later. In the spread of poverty, Africa, Asia, and Latin America seem to be the hardest hit. Thus, it is plausible that they should have a take on how the problem should be addressed. Thus, the present study attempts to examine global poverty from the perspective of the hardest hit.

Apart from helping to foreground the magnitude of the problem, political/moral philosophers and related others have come up with various solutions and strategies to curb global poverty. The latest of these solutions to be implemented is the global tax

1 This conception is decomposed in the next section.

fairness. Consequently, two interrelated claims are advanced by this strategy: (i) that some given good, service or mode of activity (mode of life) should be taxed, and the proceeds be used to address what one could grimly regard as fundamentally unwanted absences in the lives of millions of people around the world; and (ii) that the value of fairness should underpin this taxation so that the tax burden should be more on the rich (individual or corporate) than on the poor. But, extant national and global realities show that no serious effort has yet been made to heed the call of the first claim and that the burden of taxation generally, is being cleverly dodged by the rich, which is pathetically, contrary to the call of the second claim. Resultantly, philosophic works are now emerging from the Northern perspective, focusing on a reversal. But, the present exercise is a Southern take on a reversal, which has three interrelated objectives, which are: (i) to critically examine some conceptual/theoretical and practical issues involved in the discussion of global tax fairness; (ii) to propose a transnational institutionalist agency to address the issues from a Southern perspective, and (iii) to address some likely concerns about the Southern proposal. And, as stated above, the present study is an attempt to address global poverty from the angle of the hardest hit.

The study is divided into six sections. The first section focuses on the introduction and the problem statement and the second discusses the conceptual framework. The third section foregrounds basic conceptual/theoretical and practical issues involved in the proposal of global tax fairness as economic justice, while the fourth attempts to develop a transnational institutionalist agency, from a Southern perspective to address the issues raised in the third. The fifth section responds to some likely concerns about the proposal, and the sixth section summarises the findings and concludes the study.

Discussing the Conceptual and Theoretical Framework

My preoccupation here is with two things: the first is to clarify the concepts global poverty, global tax fairness, and economic justice; the second is to briefly discuss institutionalism, which is the theoretical framework of this research.

Poverty: Admittedly, normatively-inclined studies are now emerging from the North, carefully dissecting the nature of poverty (and, by extension, global poverty); critically prescribing how to, and how not to, examine and interrogate it; developing some idea(s) of agency (or agencies) of address, as well as indicting some states, corporate organisations/institutions and powerful individuals, causally connected to the problem.²

2 Some of the most recent of these are: Illingworth, P., Pogge, T. and Wenar, L (eds.) 2011. *Giving Well: The Ethics of Philanthropy*. Oxford: Oxford University Press; Stacy, Helen M., and Win-Chiat L (eds.) 2013. *Economic Justice: Philosophical and Legal Perspectives*. New York and London: Springer Dordrecht Heidelberg; Gaisbauer, Helmut P., Schweiger, G. and Sedmak, C (eds.) 2015. *Philosophical Explorations of Justice and Taxation: National and Global Issues*. AG, Switzerland: Springer International Publishing; Pogge, T., and Metha, K (eds.) 2016. *Global Tax Fairness*. Oxford: Oxford University Press; Gaisbauer, Helmut P, Schweiger, G., and Sedmak, C (eds.) 2016. *Ethical Issues in Poverty Alleviation*. AG, Switzerland: Springer International Publishing.

Nevertheless, it is still conceptually apposite to have a working definition of poverty, by dissecting the earlier conception of poverty as: un-chosen fundamental absences in the life of a human person, connected to (deliberately structural/systemic, or non-deliberately structural/systemic) unequal distribution of needed values (especially economic, but not limited to the former), which impacts negatively on their general functionings and capabilities. “Absences” and “inequality” imply that the subject involved lacks certain values; although, the values are available and accessible to others. It is this availability and accessibility of the values to others, but not to the subject in society, which make the entire distribution unequal. Being “un-chosen” means that what the subject lacks does not result from a choice willingly made by the subject, as in the case where the subject swears on a life of poverty, based on religious grounds. Being “basic”, means that the lack of the values generally makes life very difficult for the subject involved. “Being non-deliberately structural/systemic” means that the distribution of the needed values is dependent on institutions that are not intentionally, socially discriminatory against the subjects involved and others that are not involved. On the other hand, “being deliberately structural/systemic” means that the distribution of the needed values is dependent on institutions that are intentionally, socially discriminatory against the subject involved and others that are not involved, such as making policies that make the values available and accessible to others, but unavailable and inaccessible to the subject involved. Lastly, “being negatively impactful on general functionings and capabilities,” means that the needed values that the subject is deprived of create a specific kind of difficulty that de-enables the subject involved to self-realise—that is, to do what s/he would have reasons to value to do, or to be what s/he would have reasons to value to be in life.³

Global tax fairness: As briefly mentioned earlier, global tax fairness (hereafter referred to as GTF) ultimately involves two interrelated, normative or prescriptive claims. The first (or claim-1) is that there should be an object or mode of life to be globally taxed, and that the proceeds of the taxation should be deployed to alleviate the unfortunate conditions of the global poor, such as providing health care services to them at an affordable cost; providing the homeless with shelter; helping to defray the cost of educational programmes for the educationally disadvantaged; making potable water available to those who do not have access to it, and the like. Now, claim-1 is a prescription-claim because (i) it advances an idea of a preferred taxation state of affairs that benefits the global poor, as opposed to the actual taxation state of affairs, a preferred idea that may, or may not be globally accepted in the final analysis, and (ii) it suggests an idea of a preferred tax-benefit sharing formula, which is also, presently, contra-reality.

3 The “functionings and capabilities” aspect of the conception of poverty draws on Graf, G. Gunter and Schweiger, G. Gottfried. 2013. *Philosophical Evaluation of Poverty: Capabilities and Recognition* Nummer, Januar, Salzburg: Australia: IFZ-Salzburg However, the other aspects of the conception are this author’s ideas.

The second (or claim-2) stipulates that this taxation formula should be founded on the value of fairness, rather than on that of equality, which means that the rich (individual or corporate) should bear more of the burden than the poor—the reason being that if the burden is deflected by the rich onto the poor, then the purpose of the formula is defeated; and the plight of the poor is rather deepened than alleviated by the formula. Now, claim-2 is also a prescription-claim: it proposes a preferred state of affairs, relative to tax-burden sharing, which is presently contra-reality.

Economic justice: The concept of economic justice (EC) is used by both orthodox and heterodox economists (understood as neoclassical economists and non-neoclassical economists, which in a loose sense include philosophers of economics); although, with different intentions and conclusions. For the former, economic justice can be achieved once the operation of the market forces (the forces of demand and supply) is unhindered, both at the level of factor markets and of goods and services markets in society. For the latter, the operation of the market forces ought to be mitigated at times, in order to ensure that one does not unnecessarily carry more economic weight than the other, to guide against unreasonable social inequality and, therefore, ensure economic justice in society (see Scaperlanda 1999, 419).⁴ Given that in both senses of orthodox and heterodox economists, EC is distribution-inclined (whether as a result of the factors of production among competitors for them, or of the goods and services that result from the combination of the factors of production, among the consumers of the goods and services, as well as jobs and incomes that provide an effective demand for the goods and services), the concept would be defined here as inclusive of, according to Davis (1999, 597), both commutative justice and distributive justice. The former concerns itself with “whether exchanges are fair”, while the latter concerns itself with “whether there is a fair distribution of resources, of society’s benefits and burdens, and of such things as income, jobs, goods, property, taxation, and social services.” Now, an orthodox economist may argue that economic exchanges are fair if, and only if they are conducted within the framework of the free operation of the market forces; thereby not bothering or questioning the fairness of the market forces themselves, leading him/her not to also bother at all about redistribution. But, a heterodox economist may question the so-called fairness of the framework of a free operation of the market forces on some grounds; thereby, leading him/her to also prescribe a redistribution of some income or resources, here and there, on the same grounds. If we agree with this reasoning, then we are also committed to seeing GTF as economic justice at global level—the reason being that claim-1 and claim-2 of GTF are ultimately about the two-part conception of economic justice, as rendered by Davis above. The claims question the fairness of the

4 See Scaperlanda, Anthony (SI). 1999. “Matters of Economic Justice.” *Review of Social Economy* 57(4): 419–426. . . The braced italicised contents are not in the original. Philosophers of economics are loosely regarded as non-neoclassical economists on at least two grounds: (i) they examine and interrogate, among others, basic neoclassical economic assumptions and institutions in society, such as market fundamentalism (ii) they go further to make ethical prescriptions as to how they could be better restructured or their negative effects mitigated in society.

framework of the market forces, as well as the exchanges within the framework and, therefore, prescribe some redistributive justice, which is GTF. Contextually, GFT is also a form of corrective justice: the prescriptions are to correct the hitherto unfairness to the global poor. Moreover, GFT is developmental of the global poor: it would ensure in the final analysis, according to Badru (2016a, 46 and 47), a qualitative and quantitative progression in the lives of the global poor, from their state of potentiality (or inability or absence); to a state of actuality (or ability or presence), a movement from potential functionality (expected role that is not yet performed) to the level of actual functionality (performance of the expected role) in society.

Institutionalism: Contextually, institutionalism or (*read as*) the institutional thesis (IT) emphasises that a system of roles (tasks), anchored onto specific human beings, guided by rules and values in the pursuit/performance of the roles (tasks), is highly significant for a maximal social functionality, leading to growth (in the initial instance), and development (in the final analysis). Thus, IT could also serve as a theoretical framework of analysis and explanation of how states become prosperous or non-prosperous—on the one hand, and prediction of what states should do to be prosperous, on the other hand. To make this clearer, IT does not totally deny the roles, which the climate thesis (CT), or the resources thesis (RT), could actually play in social functionality and prosperity. Rather, the claim is that institutionalism is of the essence in the maximal functionality and prosperity of any given society, all things considered. Given the IT, the contention here is that a properly structured, transnational institutionalist agency is basic to the realisation of the *telos* of global tax fairness as economic justice. And, a relevant institutionalist agency in the present context is one that could help, in significant ways, in designing and implementing necessary policies to realise the goals of the GTF. On the basis of this thinking, IT is adopted in the study as a theoretical framework.

As a theoretical framework, explaining the growth and development of a human society, IT could be domestic or transnational in scope (see Badru 2016a, 60). At a domestic level, it emphasises quality domestic or national institutions as being basic to growth and development within a state (see, for example, Risse 2005, 355). At transnational level, IT emphasises that quality transnational institutions are central to growth and development across states (see, for example, Pogge 2010). Analytically, IT is descriptive on the one hand, and normative/prescriptive on the other. It is descriptive to an extent that it tries to unearth why some states prosper, whereas others do not—and locates the answer in the former having quality institutions, while the latter have poor institutions. It is normative to an extent that it tries to create a standard for statist prosperity and prescriptive to an extent that it prescribes this standard as fundamental to any state that aspires to prosper.

Importantly, IT could be contextually justified. The logic is that the problem associated with poverty in many low-income countries of the world is of a complex nature, and of a massive dimension, given that it involves a great number of people, who fall within

different ages/groups, whose needs and methods of address may be diverse, and who are disparately territorialised, even within a given country (see Badru 2016a, 56). Thus, to effectively reach and serve them, it requires some global institutionalist framework, capable of organising and deploying the required pool of agents and massive resources.

However, before delving into any discussion of the institutionalist framework, there are certain significant conceptual/theoretical and practical issues that should be addressed before we could think about the realisation of the *telos* of the GTF.

Important Conceptual/Theoretical and Practical Issues in the Discussion of Global Tax Fairness as Global Economic Justice

It is reasonable to contend here that for the proposed global tax fairness (economic justice) to achieve any success, some basic conceptual/theoretical and practical issues involved must be critically sorted out. According to Badru, in a recent study, basic concerns must first be understood, and strategies implemented to address if global taxation policy proposals, in general, are to successfully transform from idealisation to practicality (Badru 2016b, 155–172). Some of these basic issues and similar others are related to GTF.

Issue 1: The sort(s) of economic good(s) or service(s) to be globally selected for taxation and the tax rate: To begin with, this is a conceptual and practical issue, given that we must first, properly conceive a coherent idea of, or come up with the right kind of economic good or service, all things considered, to be globally taxed, and the practically appropriate tax rate, all necessary things considered, before going about the taxation. Addressing the issue, a lot of diverse suggestions have been made⁵ the most recent being Pogge and Mehta's (2016) edited anthology. In the anthology, one cannot help but notice the high quality and the in-depth research involved in each of the contributions. Nonetheless, there are, at least, two basic observations. First, there is no generally agreed-upon idea of the object of global taxation (a singularist approach), or a combination of objects of global taxation (a pluralist approach), coupled with a generally no-agreed-upon idea of a practically appropriate tax rate on the object or combination of objects. In a world that is deeply divided regarding whether global poverty requires positive or negative moral duties of address, disagreement on the object of taxation, and the appropriate tax rate may serve as an excuse against concrete steps of address. Second, though, the main thrusts of the contributions could be ultimately harmonised by critical minds; this harmonisation would still require some extensive, collective and conscientious deliberations (given a lot of considerations involved), under some institutional auspices (between the North and the South on the principle of

5 See, for example, Paul, J. A., and Wahlberg, K. 2002. *Global Taxes for Global Priorities*. Global Forum, the World Economy, Ecology and Development Association (WEED) and the Heinrich Boll Foundation; Armstrong, M. M. 2012. "Proposals for Distributive Institutions." In *Acumen Handbook on Global Ethics*, edited by Moellendorf, D. and Widdows, H. Accessed December 28, 2012. https://www.academia.edu/1550519/Global_Justice_and_Proposals_for_Distributive_Institutions.

fairness, not necessarily on that of equality, at every level/stage)⁶, which the contributions, despite their individual quality, do not suggest how we could arrive at.

Issue 2: How the taxation exercise is to be conducted, nationally and globally: This is obviously, a theoretical and practical issue, connected to the fact that GTF, as noted earlier, is meant to develop the poor. Now, one of the central concerns in development ethics, apart from *why* we should help others, is *how* we should help others. This “how” question raises further significant interrogatives in moral development thinking, about the propriety of offering the help or assistance, such as: (i) what needs to be done; (ii) who needs to do it; (iii) where is it to be done; (v) how should it be done, and (iv) on whose behalf should it be done (see Badru 2016a, 55, 56).

Contextually, the question about “the national and global conduct of the taxation exercise” invariably requires properly-conceived answers to the basic questions of development ethics (especially, i–iii), as well as coherently excogitating some real-world, morally-oriented, apart from legally-approved, fiscal-financial institution(s) to practically allocate necessary functions, in line with the basic questions of development ethics, to real-world agents to achieve the set objectives. Presently, such morally-informed, fiscal-financial institution(s) is (are) not in existence. Undoubtedly, there are financial and trade institutions, such as the International Monetary Fund (IMF), the World Bank (WB), the Paris Club (PC), the World Trade Organization (WTO), etc. But, all these (and similar others) are, strictly, morally questionable to operate with fairness between the North and the South. In the Pogge and Mehta’s (2016) edited anthology, Vito Tanzi (2016, 251–264) suggests an idea of and even outlines the functions of such needed, fiscal-financial institution (World Tax Authority). However, he does not equally discuss such issues as how the institution would be fairly constituted; how it would get funding for its expected massive operation, and how it would be regulated; to mention a few. Addressing the issues properly may substantially aid the success of the idealised institution in practice. Addressing issues in a manner that is inappropriate may mar the success in practice.

Issue 3: How to get the big players in the global economic order to agree to GTF: This is a fundamental practical issue that should be frontally confronted, if GTF is to have any appreciable success, assuming it could take up in the first instance. Presently, to

6 However, we perceive the issues involved in the suggested collective and conscientious deliberations (between the North and the South), and we cannot but argue that the principle of fairness may be more important than that of equality, given that equality may sometimes be counter-productive. Consider the case of two boxers, say, *X* and *Y*, where *X* is stronger and more skilled (for whatever reasons) than *Y*, and they are to fight, following the same rules (some sort of equality principle), with other surrounding factors holding constant. There is a high probability (failing a bad luck on the part of *X*, which *Y* may capitalize on) that *X* would win the bout. However, if the rules are set such that they somewhat compensate for the disadvantageous background of *Y* (some sort of fairness principle in the context), then there might be equal chances of winning the bout by both boxers. Here, we attempt to show that fairness may sometimes achieve equality in the long run.

make the big players in the global economic order, the MNCs from the North, as well as the governments of the North, to argue to implementing GTF may not be as simple as it sounds, if they are not morally compelled to do so. For example, it may be difficult to deal decisively with the so-called tax havens that substantially limit the tax-generation capabilities of poor developing countries, given that according to Shaxson and Christensen (2016, 265–297): “Nearly every secrecy jurisdiction is either a rich Western country...or is a satellite of one...”. Also, one needs to consider how President Donald Trump announced the US withdrawal from the Paris Climate Agreement on 1 June 2017, stating that it would be unfair to the US interest; although, the concern of the Paris Climate Agreement is about the global implications of the climate change. Presently, there is no sanction yet against the US (and it seems there would be none, given the global power and influence of the US). Nevertheless, one of those that have openly condemned the unfair-interest-argument of Trump is an Australian moral philosopher, Peter Singer.⁷ Similarly, one needs to consider how some rich countries from the North vetoed the proposal for UN Tax Reform in 2015.⁸

Issue 4: The role(s) of the meta-institutions of the poor states in GTF: This is a very important practical issue on the part of the meta-institutions of the poor states, in relation to GTF. Contextually, “meta-institutions,” refer to the executive, the legislature, and the judiciary, and their sub-set agencies, whose policies and rules provide the constitutional and operational framework for other meso-institutions in society. In allocating roles for the meta-institutions of the poor countries in relation to GTF, Metha, and Siu (2016, 339–355) discuss 10 ways through which developing countries could control their tax base, and thus, increase their tax-generation capabilities. This is obviously, economically ingenious, but securing the tax base against erosion, and undoubtedly enhances the revenue-generation capabilities of the poorer countries. But, increased revenue-generation capabilities do not exhaust all significant roles to be played by the meta-institutions of the poor countries—that is accountability and transparency in revenue-dispensation, are also significant, but not only accounted in transparent revenue-generation. In situations where revenue-dispensation institutions (usually agencies of the meta-institutions) of the poor countries are corrupt and inefficient, in relation to revenue-dispensation, increased revenue capabilities may not necessarily improve the lives of the poor. In fact, non-accountability and non-transparency in revenue-dispensation may lower the tax morale of honest tax-payers, which in turn, may lower the tax-generation capabilities.

Issue 5: Monitoring of the global taxation implementation: Yet another practical issue of note is how the global taxation exercise is to be effectively monitored (globally and nationally), assuming we are able to first, fix the twin problems of arriving at a globally-

7 Singer, P. “Is the Paris Accord Unfair to America?” Accessed June 18, 2017. <https://www.project-syndicate.org/commentary/paris-accord-unfair-to-america-by-peter-singer-2017-06>.

8 Rich Countries Veto Proposal for UN Tax Reform.” Accessed July 18, 2017. <http://www.taxfairness.ca/en/news/rich-countries-veto-proposal-un-tax-reform>.

consensual object of taxation, as well as a globally-consensual appropriate tax rate. It is only an inexperienced economist that would aver that monitoring the global taxation implementation is not critical to its eventual success, given that its absence may encourage much tax dodging, which may take a different dimension from what we are presently experiencing, from very rich individuals and MNCs. But, this critical issue is still under-researched.

Issue 6: Conception of the global poor: Another significant issue is how to properly conceptualise the criterion for labelling someone globally poor, and who is to be excluded from the fold: we have to revisit our general conception of the global poor as falling under those that earn just \$1.90 a day.⁹ This is important because, as Adesina (2011) has shown in his analysis, some people in the world may earn something above the poverty line income, but still be on almost the same socio-economic level as those who earn below the poverty line, the people he regards as the “Precarious Non-Poor.” Now, should the “Precarious Non-Poor” be included or excluded from the fold? Another related practical issue is, how would one know precisely how to classify those who are not public-employed (those whose incomes cannot be clearly calculated), those who fall within or outside the poverty line income. Without an epistemic access to all the relevant income figures, just anybody could claim to fall below the poverty fold in order to benefit from the GTF lifeline.

However, I contend in the next section that the issues raised/examined could be addressed by the proposed institutionalist framework, which I am to examine.

An Institutional Framework of Address: A Southern Take

Here, my focus is twofold: to defend an institutionalist framework that would pursue the goals of GTF, on the one hand, and to lay the foundations of values of transnational democratic thinking and justice in the dealings between the North and the South, on the other hand. The latter, to reiterate, is contextually relevant and significant.

As argued in the initial work (Badru 2016b), many extant transnational institutions (UNO, IMF, WTO, etc.) are usually criticised on the grounds that they serve more of the interests of the North than those of the South, except where the interests of the North are not directly involved. Thomas Christiano (2010, 125, 126) contends that trade relations between the North and the South, usually guaranteed by some of these transnational institutions, arise from hard bargaining, where the former stands to gain more than the latter, and where the latter has no option but to agree (and this also makes it asymmetrical bargaining).¹⁰ Additionally, according to Tan (2004, 25), “to effectively

9 The threshold of “1.90 USD a day” is cited in Cruz, Marcio, Foster, James, Quillin, Bryce and Schellekens, Philip. 2015. Policy Research Note 3. *Ending Extreme Poverty and Sharing Prosperity: Progress and Policies*. The World Bank:

10 In fact, Christiano contends that many transnational institutions lack democratic legitimacy on this account.

tackle global poverty and inequality, we need to address the global background context within which the countries interact, and not simply take this context as given.” Thus, one could make, at least, two inferences:(i) that global poverty, the focus of GTF, could not be contextually and generally disaggregated from unjust transnational institutions (apart from unfair operations of many North’s MNCs in the South), with their unfair operational background, and (ii) that the extant transnational institutions may not, without some radical moral restructuring, achieve much in fairly rethinking the background of interaction between the North and the South, which together, largely constitute the causal basis of global poverty. Inferentially, we need a transnational institution that would address the moral deficit of many extant transnational institutions and of the background of interaction between the North and the South.

Contextually, the proposed relevant body may be called a Global Poverty Alleviation Agency (GPAA), which, as argued here, would operate within a Global Institution for Democracy and Justice (GIDJ). Recently, Badru (2016b)¹¹ defended this framework in his study. However; the present exercise sketches the GIDJ (modified for the contextual purposes), the institutionalist basis for the GPAA, as well as how the latter would be implemented through the former.

Given its global presence, it is suggested that the UNO, if it is to be guided more by the principle of equity, should create a GIDJ, as defended in the initial study, which should have three main organs. The first organ, the Legal and Deliberative Forum, should have two departments; that is the *economic and legal forum*, and *democratic, deliberative forum*. The first department should be made up of international economists (IEs), international tax experts (ITs), international lawyers (ILs), political scientists (PSs), and international political/moral philosophers (IPMPs)¹², chosen by their proven disciplinary knowledge and expertise. The IEs and the ITs are to work together on a coherent idea of what has to be taxed, and how it is to be taxed (*Issue 1 addressed*); a proper conception of the global poor (*Issue 6 addressed*); how the tax proceeds are to be deployed to meet the needs of the global poor, and how the tax implementation is to be monitored (*Issues 2 and 5 addressed*), and so on. The ILs and the PSs are to consider and make recommendations on the legal and political implications of the deliberations of the IEs and the ITs, while the IPMPs are to critically consider and make recommendations on the moral dimensions of the deliberations of the IEs and the ITs.

11 This article itself is a revised version of Chapter Five of my PhD thesis, *The Philosophy of Political Liberalism, the Global Order, and the Question of Justice*, submitted to the Department of Philosophy, University of Ibadan, Nigeria, in 2011. Any reference here is made to the 2016b version, which is subsequently referred to as the “initial work.”

12 The phrase “international tax experts” is not in the initial study; but has been included here because of its high relevance. Moreover, “international political/moral philosophers” have been used to refer to cosmopolitan philosophers such as Allen Buchanan, Charles Beitz, Thomas Pogge, Martha Nussbaum, as well as ethically-inclined economists, such as Amartya Sen and Daniel M. Hausman, philosophers that have demonstrated that there is much, which the field of economics could derive from ethics.

The membership of this department is to be drawn from the second department, on the basis of a simple majority. Membership of the second department should be drawn from representatives (known experts in relevant disciplinary areas) from all nation-states, who are to meet and deliberate for instance, quarterly, on the reports generated from different parts of the world, in relation to the complexities that may arise in the practical collection and distribution of the global tax, and pass the outcomes of the deliberations to the first department, which is to work on them (*Issues 2 and 5 addressed*).

The facts pertaining of the extensive representation of the first organ and the embedded electoral policy of the simple majority for any binding significant decision address four issues: (i) no voice is unreasonably excluded; (ii) consensus for decision-making and decision-implementation, because of diversity of membership, is largely resolved; (iii) the global tax levied (even if it were to be on “stateless incomes” or funds deposited at tax havens) results from a democratic practice, not an imposition solely from the South, or from the North (*Issue 3 addressed*), and (iv) apart from the democratic legitimacy of the global tax levied, domination (occurring in the membership of many extant transnational institutions) between the North and the South is addressed.

The second organ of the GIDJ should be designated as Executive and Observatory. It is to be empowered with the means of practical enforcement as well as the effective observation of the process of the practical (international) realisation of the decisions of the second department of the first organ. Perhaps, the second organ of the GIDJ should seek the support of the International Court of Justice, to this effect. Thus, some appropriate and explicit amendment could be made to (if it is not presently recognised) the judicial scope of the International Court of Justice (ICJ) at Hague, to include such cases as may be brought before it by the second Organ of the GIDJ. The justification for this is that, reasonably perceived, the ICJ ought to cover cases of economic injustice, but not only politico-legal ones, within the international system.

The third organ of the GIDJ, which is to operate in line with the two other organs, should be designated as Funds Organ. The organ should be responsible for the generation of funds for the operation of the GIDJ as a whole. Funds could be sourced from international philanthropists, foundations, which are truly committed to moral equality, and the development of all human beings (within nation-states and across their boundaries). Funds may also be obtained from other credible sources, directed at the pursuit of economic justice across nation-states and peoples.¹³

The next significant objective is to fix the Global Poverty Alleviation Agency (GPAA), within the GIDJ framework. Therefore, I argue that the GPAA should be an agency of the Executive and Observatory Organ of the GIDJ, given that it would be an instrument for the practical realisation of the goals of the organ, which itself operates within the decisional framework of the Legal and Deliberative Forum. Membership of the GPAA

13 See Badru (2016b, 167–170). Some modifications have been made.

should be mainly drawn from the relevant countries of the South, but subject to the recommendations of the experts in the Legal and Deliberative Forum. The justification for this Southern-centered input is that those that are selected at the end may be in the best position to fully understand the nature and dimensions of global poverty, whose impact is felt more in the South. Moreover, the Agency is expected to perform the following general and specific functions:

General

- i. Gathering requisite data on global poverty (especially in the South) and causally-related fiscal-economic agents and institutions;
- ii. Passing the data to the first organ of the GIDJ for proper examination and in-depth analysis, and
- iii. Carrying out necessary duties as assigned to it by the second organ, relative to the decisions reached on the data.

Specific

- i. Working closely with the meta-institutions of poor developing countries, urging them to be more economically responsible and responsive to the needs of the poor in their countries;
- ii. Advising the meta-institutions of poor developing countries on developing creative strategies to secure their tax base against erosion by unwholesome business activities of MNCs in their domain (such as those suggested by Metha and Siu);
- iii. Facilitating the exchange of requisite accounting information among poor developing countries, which are trading partners, or helping poor developing countries to obtain significant information about the foreign accounts of their fraudulent and corrupt citizens (deriving from the suggestion of Grinberg)¹⁴;
- iv. Expertly helping the poor developing countries in working out creative ways of taxing the foreign accounts of their fraudulent and corrupt citizens, or repatriation of the stolen funds stashed in foreign banks;
- v. Seeking facts and figures on accessing, and evaluating the progress or the non-effectiveness of poverty-alleviation programmes that are already in place in poor developing countries;
- vi. Advising relevant philanthropic, non-governmental organisations, both within poor developing countries and outside of them, on the effective ways of pursuing their poverty-alleviation goals;
- vii. Working closely with the MNCs in poor developing countries, urging them to be more committed to some kind of corporate social responsibility (CSR), which is geared towards alleviating poverty in

14 Grinberg, Itai. 2016. "Building Institutions for a Globalized World: Automatic Information Exchange." *Global Tax Fairness* 14–30.

- communities of their business operation (and this may involve, among others, building more modern and well-equipped schools and health centres in rural areas, sinking bore-holes in areas where water is scarce, procuring affordable drugs for the poor, running and adequately financing programmes for skills-acquisition for the poor, etc.);
- viii. Seeking out prior, properly-defined category or categories of poor people in poor developing countries and carefully consulting with them regarding the extent of their poverty, as well as the kind of assistance they need, and how it could be best supplied/provided.

Certain things are noticeable about the specific functions of the GPAA. First, it adopts a pluralist approach, harmonising some relevant suggestions from the most recent work on the GTF. It is recognised that a combination of solutions may be required to properly address the contextual problem. Importantly, it must also be stated that the specific functions of the GPAA embrace the Southern perspective in two major ways: (i) it recognises that the meta-institutions of poor developing countries are basic to addressing the problem of poverty and achieving the *telos* of the GTF within the countries (top-down approach), and (ii) it recognises that the properly-defined poor people in the poor developing countries also have a role to play in addressing the problem (bottom-up approach).

Likely Concerns and Responses

There might be some concerns raised about the proposal discussed, which might border on desirability, plausibility, and feasibility. The first has to do with whether or not there is a value or set of values that could make the proposal appealing; the second has to do with whether or not there is some justifiable argument, supporting the proposal, while the third has to do with whether or not the proposal has any chance of practicability.

Desirability concern: Is there any value or are there some values that could sell the proposal globally? There are, at least, three values that are contextually basic: (i) epistemic value; (ii) democratic value, and (iii) moral value. First, the proposal focuses on obtaining as much detailed information as possible regarding the level of poverty in the poor developing countries, the views of the affected peoples regarding the level of their poverty, and how best they want to be assisted. This ensures that any relevant planning is founded on a sound empiricist epistemology. Second, the proposal puts much emphasis on a democratic approach to addressing poverty among peoples in poor developing countries: it aims at seeking out the poor peoples in poor developing countries, consulting with them regarding what constitutes their neediness, and on how their poverty could be best alleviated. Put differently, it recognises the value of their input in designing solutions to their problems. Third, in getting the views of the peoples concerned, in order to assist them, the proposal still recognises the moral worth of the peoples in the sense that it takes into account that nothing ought to be imposed on them.

It also recognises their autonomy in the sense that they are given opportunities to freely determine how they should be best assisted.

Plausibility concern: What cogent argument could be advanced to support the proposal? In an attempt to answer this question, it must be avowed that the contents of the proposal are morally justifiable in the deontological, teleological, and virtue-ethical senses. Deontologically, the contents underscore the moral duty of all relevant actors, capable of acting concretely to address global poverty. Teleologically, the contents are aimed at a given outcome, a positive change in the conditions of life of the targeted peoples, on the basis of which it would be ultimately evaluated. From the perspective of virtue ethics, it could be stated that the proposal also somewhat, aims at forging some kind of virtuous being out of the relevant actors from the North, relative to the South; a kind of being that conscientiously develops and sustains the virtue of *fellow-feeling* (understood in the extensive/broad sense, but not in the restrictive/narrow sense). Put differently, the relevant actors in the North should develop the virtue of always thinking about the peoples of the South in a non-exploitative way; a moral agent that is truly fellow-feeling would not essentially think of the other in an exploitative way.

Feasibility concern: How could the proposal ideationally transform to practicality? The logic here is that the practicality of the proposal, being laudable in *telos*, requires a conscientious commitment of the North (especially) and the South. If the North is truly committed to the idea of the world as a global village (being the chief proponents of the idea), which ontologically entails full operation of the principles of equality and equity, then any proposal towards this end should be embraced. This proposal, undoubtedly, focuses on this end; therefore, the North should embrace it. And, the South should also embrace it, given that the proposal, in its entirety, is about addressing the high level of poverty in the South in a creative manner.

Conclusion

I have attempted in this article to examine the philosophy of global tax fairness, which is plausibly regarded here as economic justice, in addressing global poverty. To achieve this, I started off with a discussion of the basic conceptual framework, followed by some examination of certain conceptual/theoretical and practical issues pertaining to the actualisation of the proposal of global tax fairness. Thereafter, I made an attempt, from the Southern perspective, to argue for an institutionalist agency to actualise the philosophy of global tax fairness, as well as somewhat rethink the unequal initial background of interaction between the North and the South. I sincerely hope that both the North and the South would work towards the practical realisation of this modest proposal, so as to make the world a better place for all the peoples.

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