OpenVoiceNews U.S.

Transparent. Unbiased. Yours.

# Corporate Tax Abuse and Its Impact on Human Rights

*July 17, 2025*
*— Categories: Human Rights*


Download IPFS

The unchecked tax practices of multinational corporations are undermining human rights on a global scale. These practices, often designed to minimise tax liabilities through complex cross-border schemes, drain public coffers and erode governments' ability to deliver essential services. Despite the United Nations Guiding Principles on Business and Human Rights (UNGPs) setting a clear framework for corporate responsibility, the issue of tax abuse was not explicitly included in the original principles.

A recent briefing and documentary, Corporate Tax Abuse: The Elephant in the Room of Business and Human Rights, produced with support from the European Union's Horizon Europe Framework, brings this issue into sharp focus. Through detailed case studies of Ireland and Kenya, both nations that have publicly championed the business and human rights agenda, the materials explore how tax policies, international agreements, and corporate strategies must integrate human rights standards. The UNGPs, widely regarded as the authoritative standard for applying international human rights law to both states and businesses, demand such integration to ensure accountability.

During the drafting of the UNGPs, taxation was not explicitly included in the final text, partly due to corporate lobbying and concerns about overextending the principles beyond operational human rights impacts. Yet, the tide has shifted. The United Nations Working Group on Business and Human Rights, in its 2021 review of the UNGPs' first decade, underscored taxation as a pivotal issue. This growing recognition reflects the undeniable link between tax revenue and the ability of governments to uphold rights to healthcare, education, and social protection.

The scale of the problem is staggering. According to the State of Tax Justice 2024 report, cross-border tax abuse costs governments worldwide an estimated $472 billion annually. Of this, around $301 billion stems from multinational corporations shifting profits to tax havens, while $171 billion is lost due to wealthy individuals hiding assets offshore.. While higher-income countries bear the largest absolute losses, low-income and lower-middle-income countries suffer the greatest proportional losses, with tax abuse draining a larger share of their public revenues. This shortfall directly hampers the realisation of fundamental human rights, particularly in nations already grappling with resource constraints.

The failure to address corporate tax abuse as a human rights issue is a glaring omission in the implementation of the UNGPs. Governments, particularly those in the UK under the current Labour administration, must not shy away from confronting this challenge. Robust action to curb tax evasion and ensure fair contributions from multinational corporations is not just a fiscal necessity but a moral imperative. Businesses, too, must be held to account, aligning their tax strategies with their human rights responsibilities.

The briefing and film serve as a clarion call: taxation is not a peripheral concern but a cornerstone of human rights accountability. Ignoring it risks perpetuating a system where corporate profits are prioritised over the public good. As the global community continues to grapple with inequality, governments and businesses alike must act decisively to close tax loopholes and restore trust in the social contract.

Disclaimer: This briefing and film were produced with support from the European Union (Horizon Europe Framework). Views and opinions expressed are those of the author(s) and do not necessarily reflect those of the European Union or the granting authority.