

**RETHINKING TAX JUSTICE: LEGAL MECHANISMS FOR  
PROGRESSIVE TAXATION IN EMERGING ECONOMIES**

**Asad Irfan**

Kings College London, LLM International Tax Law

[Asadirfan07@gmail.com](mailto:Asadirfan07@gmail.com)

**Misbah Bibi**

M. Phil Economics, National college for business administration  
and Economics, Lahore. [misbahjavedo27@gmail.com](mailto:misbahjavedo27@gmail.com)

**Imad Khan**

Lecturer, Department of Economics and Development Studies,  
University of Swat. [Imad@uswat.edu.pk](mailto:Imad@uswat.edu.pk)

**Nibras Hussain**

School of Global Public Health, New York University (NYU)

[nh2815@nyu.edu](mailto:nh2815@nyu.edu)

**Akhter Hussain**

PhD Scholar, Center for Management & Commerce, University of Swat,  
Khyber Pakhtunkhwa Pakistan, 19120. [sixsegma@live.com](mailto:sixsegma@live.com)

<https://orcid.org/0009-0008 5414-9704>

**Abstract**

This study examined legal mechanisms for promoting progressive taxation in emerging economies, focusing on Colombia, Argentina, India, and South Africa. While progressive tax policies are often presented as tools for enhancing equity and reducing wealth gaps, their implementation in developing contexts remains complex and politically challenging. The research employed a comparative case study design supported by secondary data analysis, legal framework evaluations, and institutional readiness assessments. Findings revealed that mere enactment of wealth taxes or progressive income tax laws was insufficient without strong enforcement capacity, robust anti-avoidance measures, and comprehensive digital tax administration systems. Colombia and Argentina, despite introducing wealth taxes, experienced limited revenue gains due to administrative weaknesses and elite resistance. In contrast, India and South Africa achieved notable improvements in

compliance and revenue mobilization through strengthened anti-avoidance frameworks and advanced digital infrastructures, even in the absence of explicit wealth taxes. The study highlighted the critical role of technological modernization and international cooperation frameworks, such as OECD/G20 BEPS standards, in supporting domestic reforms. Policy recommendations included strengthening legal enforcement, enhancing digital infrastructure, fostering public tax morale, and adopting gradual, context-specific tax measures. Overall, the findings emphasized that achieving tax justice in emerging economies requires a holistic approach that integrates legal, technological, and social dimensions to ensure equitable and sustainable fiscal outcomes.

**Keywords:** Anti-avoidance laws, Digital tax administration, Emerging economies, Legal enforcement, Progressive taxation, Wealth tax

## **Introduction**

Tax justice became a topic of the leading role in the debate regarding economic development and social justice in the 21 st century. Policymakers and researchers focused more on addressing the question of how fair tax regimes are essential in narrowing the income and wealth gaps, public provisioning, and inclusive developments (Piketty & Saez, 2020). Historically, progressive taxation was considered to be a powerful tool to redistribute income and achieve social equality since it imposed higher rates of taxation on people and organizations that had more economic abilities (OECD, 2021).

Most of the emerging economies were using regressive taxation systems, especially on indirect taxes like value-added taxes (VAT) and excise duties that overwhelmingly impacted the revenues of the low-income households, despite its perceived significance (Prichard, Cobham, & Goodall, 2022). The sophistication and the system of enforcement of the laws in these countries were lacking and could not sustain really effective tax regimes. Furthermore, tax evasion on a large scale, violent tax avoidance by

multinational businesses, and shadow economies further enhanced the viability of taxation networks (Cobham & Jansky, 2022).

The shift in global priorities to sustainable development goals and the reduction of inequality, it was necessary to reconsider the established tax policies and identify the legal options to advance the idea of progressivity. Recent global efforts, such as OECD/G20 inclusive Framework on Base Erosion and Profit Shifting (BEPS), had also demonstrated that international legal policies on taxation required a thorough change of legislation in emerging economies (OECD, 2021). The research therefore examined the possible ways in which legal mechanisms might be planned and enacted so as to enhance tax justice by progressive taxation in developing economies.

### **Research Background**

Emerging economies were characterized by peculiar fiscal problems, structural inequalities, a vast informality rate, and low administrative capacity. In the past, most of these nations relied heavily on the trade tax and consumption based taxes which were easily administered as compared to direct taxations on income and assets (Moore, Prichard, & Fjeldstad, 2018). Nevertheless, such a tax system was more likely to increase inequality instead of reducing it because shorter households suffered a relatively higher load (Crivelli et al., 2023).

Over the last several years, there was an increasing global interest in addressing tax base-erosion and profit-shifting that eliminated the unnecessary generation of revenues essential to social investments (Kar & Spanjers, 2022). The legal loopholes, lax anti-avoidance laws and transparency had made large sums of wealth to be transferred and hidden by the high income people and multinationals. Poor court systems and political takeover by economic elites also worsened these matters in emerging economies where equitable tax policies could not be passed and implemented (Londoño-Velez & Avila-Mahecha, 2021).

However, some new economies tried the progressive reform of the tax system. As examples, Colombia restored a wealth tax in 2020 and Argentina introduced the so-called Extraordinary Solidarity Contribution in 2021 to economically meet pandemic-related fiscal shortfalls (Crivelli et al., 2023). They all showed that a progressive taxation was a possible instrument even in a developing environment with well-established legal and political determination.

### **Research Problem**

Despite the theoretical advantages of progressive taxation having received a wide recognition, its theoretical use in real life in the economies used to be poor and sporadic. The legal framework of these nations usually did not include thorough anti-avoidance options, effective audit system and efficient processes of dispute resolution (Baer & Le Borgne, 2020). When applied, therefore, progressive tax measures often did not accomplish redistributive aims and encountered stiff opposition by wealthy vested interests. This discrepancy between policy design and action brought into consideration important questions on the legal basis on which tax justice can proceed in developing economies. It was necessary to examine ways through which legal changes could be framed so as to accommodate progressive taxation that is practicable administratively and politically palatable. This meant that potential of progressive tax to stem inequality and economic resiliency could not be achieved without such reforms.

### **Objectives of the Study**

1. Examine the current legal frameworks governing taxation in emerging economies.
2. Identify key legal challenges hindering the adoption and enforcement of progressive taxation.
3. Analyze recent international and regional policy developments supporting tax justice.

### **Research Questions**

Q1. What legal challenges have emerging economies faced in implementing progressive taxation?

Q2. How have international tax governance initiatives influenced domestic tax law reforms in these countries?

Q3. What legal strategies could be employed to enhance the effectiveness and fairness of progressive taxation?

### **Significance of the Study**

The research also made an addition to the debate on tax justice in recent years all over the world due to a narrow analysis of law machinery in emerging economies. It provided viable lessons to policy makers, academic scholars on laws and law administrators who wished to formulate a fair and effective taxation system. Through the exposure of great precedents of reforms and the suggested methods of legislation, the research contributed to the reduction of inequality and funding sustainable development in the Global South. The study also highlighted the need to synchronise local tax systems with the international legal systems hence making them collaborate in combating tax evasion and avoidance. The results of the findings were intended to lead to additional scholarly research, and to guide policy development in the future to support the larger objectives of social justice and inclusive economic growth.

### **Literature Review**

Progressive taxation was already identified as a material issue of policy to narrow the gap in income and wealth concentration and help to fund the provision of the necessary government services (Piketty & Saez, 2020; OECD, 2021). More challenging taxes on the rich and companies in theory could have allowed governments to redistribute them more fairly and enhance social and economic justice (Crivelli et al., 2023). Nevertheless, progressive taxation was effectively and irregularly implemented in the emerging economies because of legal, administrative and political issues. Evidence as to all these, or as to some of them, may be found to exist in the form of practical applications of theory,

either now or in the future, not only since the time when such practical applications would have been free of all the evils to which theory would have led, but also even after it had been the case of all the evils to which theory would have led that they existed.

### **Theoretical Foundations of Tax Justice and Progressivity**

Tax justice was based on the concept that taxation must be paid in relation to the ability of an individual to pay and this principle was known as vertical and horizontal fairness (Musgrave & Musgrave, 2020). Vertical equity concerned progressive taxation as it led to lower equality after taxation due to increasing the tax rates the higher income had (Prichard, Cobham, & Goodall, 2022). Advanced economies pointed to a correlation between successfully designed progressive taxes and the reduced Gini coefficient, along with the improved rates of social cohesion (OECD, 2021; Zucman, 2023).

However, in the emerging economies, a higher dependence on the regressive instruments of taxation such as the consumption taxes stayed prevalent. According to indirect taxes as a share of total taxes paid, Sub-Saharan Africa and South Asia contributed almost 60 percent, and OECD countries contributed around 35 percent as reported by IMF (2022). This dependency worsened the disparities that existed, disproportionately affecting the poorer households (Cobham & Jansky, 2022).

### **Legal and Institutional Challenges**

The success of progressive tax policies was hindered by legal capacity. A lot of emerging economies had the old tax codes, which did not include much or at all high-income tax or wealth tax (Baer & Le Borgne, 2020). Furthermore, there was also the problem of the tax authorities, which did not have the means and independence to enforce tax compliance in most cases, which resulted in high rates of tax avoidance and evasion (Kar & Spanjers, 2022).

As an example, Londoño-Velez and Avila-Mahecha (2021) demonstrated that in as much as Colombia introduced a wealth tax, its effectiveness and potential was limited greatly due to poor enforcement

capacity. On the same note, the exceptional solidarity tax in Argentina in 2021 received legal issues as well as bottlenecks in administration that reduced the revenue being collected (Crivelli et al., 2023). Moreover, the laws in most emerging economies failed to sufficiently deal with tax aggressiveness by multinational businesses. Profit shifting and base erosion was made possible by the lack of effective anti-avoidance rules, weak transfer pricing and inadequate ability to audit complex corporate structures (OECD, 2021; Jansky and Prats, 2023).

### **Global Tax Governance and Domestic Law**

The recent global initiatives placed a lot of significance on correspondence of legislations related to taxes at the domestic level with those at the international level. OECD/G20 Inclusive Framework on BEPS also attempted to address base erosion and profit shifting, with their bearing on the Country-by-Countries Reporting and controlled foreign corporation (CFC) standards (OECD, 2021). Such initiatives put pressure on the developing economies to modernize their legal framework, but they were implemented very differently across political and institutional contexts (Cobham & Jansk (2022). Research revealed that nations involved in cross-border transparency efforts, including the Common Reporting Standard (CRS) automatic exchange of information, enjoyed benefits in suppressing offshore tax evasion and gains in tax compliance (Zucman, 2023). However, the involvement was not enough as there were no relevant domestic legislative changes to protect the observance and punish non-observance (Kar & Spanjers, 2022).

### **Function of Digital Tax Administration**

Digitalization turned out to be a promising measure to reinforce the legal tax systems and enhance compliance in emerging economies. Introduction of technology in the tax collection system allowed collecting real time data, checking all transactions against each other, and auditing automatically (Jansky & Prats, 2023). The Goods and Services Tax Network (GSTN) of India, in turn, has shown the potential of digital killers to cut evasion and facilitate

compliance, despite the fact that problems of data privacy and administrative capability persisted (Purohit & Purohit, 2022). Equally, Rwanda installed the electronic billing machines (EBMs) that automatically shared the sales information with the tax authorities, significantly increasing the VAT compliance (IMF, 2022).

### **Property and Wealth Taxation**

Whilst wealth and property tax in several emerging economies remained untapped resources having an immense redistribution potential, the income tax system in many of them was weak and even flat (Crivelli et al., 2023; Piketty, 2020). These were primarily a lack of confidence in property registries, challenges associated with the valuation of assets, and political resistance on the part of ruling elites (Londo nuevo -V lez & Avila -Mahecha, 2021). However, there were a number of nations that tried these instruments recently. As an example, South Africa took a set of measures to enhance the collection of taxes on property at the municipal, and Colombia imposed more severe audits of the wealth reported (Baer & Le Borgne, 2020). The example of Argentina demonstrated that the massive taxation on the wealth could be very fruitful when paired with effective lawful measures and accountability (Crivelli et al., 2023).

### **Consideration of Political Economy**

Lastly, progressive taxation through the legal framework, enjoyed the greatest enhancement with the aid political will and social backing. Moore et al. (2018) also stressed that the relations of power were expressed in tax systems; therefore, it was the struggle of the elites that weakened cases of the adoption of progressive policies. Creation of the wide-popular-based support and higher tax morale by providing open spending and accountability measures were the key factors that succeeded in breaking the resistance (Prichard et al., 2022). Based on empirical evidence, higher government trust and well-established democratic institutions resulted in more effective progressive tax reforms since high levels of compliance were observed in countries with

higher trust in the government and better democratic institutions established (OECD, 2021; Zucman, 2023).

Research Methodology

### **Research Design**

The research design that was used was the qualitative, exploratory study. It incorporated both the policy analysis and the doctrine-based methodology in the legal research methodology, to examine the legal platforms of progressive taxation system in emerging economies. The qualitative design enabled a close examination over intricacies, legal specifications and situational stimulus contributing to the issue of tax justice. The research by reading the law documents, policy reports and latest tax reforms also gave a full study of the issues and opportunities that face progressive taxation.

### **Data Collection**

Secondary sources of data were mainly used in the study. Legal acts, taxation laws, policy documents, and international treaties were comprehensively scanned in order to comprehend the legal basis of taxation in the identified developing countries. Moreover, research articles or books, reports of global entities like OECD, IMF, and World Bank, and reports of regional tax policy think tanks were studied. New empirical research and comparative studies carried out between 2020 and 2024 were also covered so that the information could be up to date in terms of reflections on the trends and changes. This helped gather strong data on laws, enforcement, and administrative measures in progressive taxes.

### **Sampling of the Study**

Purposive sampling was used to sample the case study countries to represent the difference in legal systems, economic structures and tax capacity levels in the category of the emerging economies. The corresponding countries namely Colombia, Argentina, India and South Africa were selected because they had recently endeavored to enact progressive taxation and wealth taxes. Such cases allowed getting useful information about the efficiency of various legal

approaches and problems that arise in implementation. The criteria used in selecting those were that those topics had some recent legal reforms geared towards a more progressive approach, that the legal and policy documentation available was reliable, and they were relevant to the discussions on tax justice around the world.

### **Data Analysis**

Thematic content analysis was applied in the analysis of data. It included coding and categorizing legal texts, policy World, and academic material as themes including "legal enforcement mechanisms," "anti-avoidance measures," "wealth taxation," and "digital tax administration." The presence of thematic analysis made it possible to identify patterns, contradictions, and best practice in various jurisdictions. The comparative methods of analysis were also utilized to compare the strategies used in law between different countries and identify the contextual factors, influencing their effectiveness. Since the data was interpreted using the legal-policy frame, the study succeeded in making detailed conclusions regarding the efficiency of different mechanisms in the promotion of tax justice.

### **Validity and Reliability**

Data triangulation was used so as to increase validity. Results of the analysis of the legal documents were triangulated with the evaluations of the policies, empirical research studies and reports by reputable international organizations. The priority was given to peer reviewed journal articles and to official publications of the government to make the sources reliable. Also, it preserved analytical rigor through systematic note-taking of the coding process and strict definition of thematic categories.

### **Ethical Considerations**

Because all the data used in such a research was secondary and can be found in the announcement of legal acts, there were no human subjects of study; therefore, there were only minor ethical risks. Still, the research was of high academic ethics in that it correctly cited all of the sources and did not distort

any data. The analysis applied ethical principles in legal studies such as transparency and focus on intellectual property rights.

### Results and Analysis

#### Enforcement Mechanisms and Administrative Capacity

It was noted that the enforcement power was highly determinant when it came to progressive tax policy effectiveness. The successes were recorded in countries having well-defined tax units, functional courts, and anti-avoidance jurisdictions. On the other hand, weak implementation of the laws ensured underreporting, general evasion and low revenue collection.

**Table 1. Comparative Analysis of Progressive Tax Legal Mechanisms in Selected Emerging Economies**

Country	Wealth Tax Implementation	Anti-Avoidance Laws	Digital Administration	Tax Key Challenges
Colombia	Enforced wealth tax since 2020	Moderate; partial transfer pricing rules	Moderate; digital integration	Elite resistance, limited audits
Argentina	Extraordinary solidarity tax (2021)	Weak enforcement	Low; digital systems	Political pushback, administrative delays
India	No wealth tax; progressive income tax	Strong GAAR transfer pricing	High; GSTN system	Informality, data privacy
South Africa	Progressive income	Strong; and effective	Moderate; tax expanding	Property valuation,

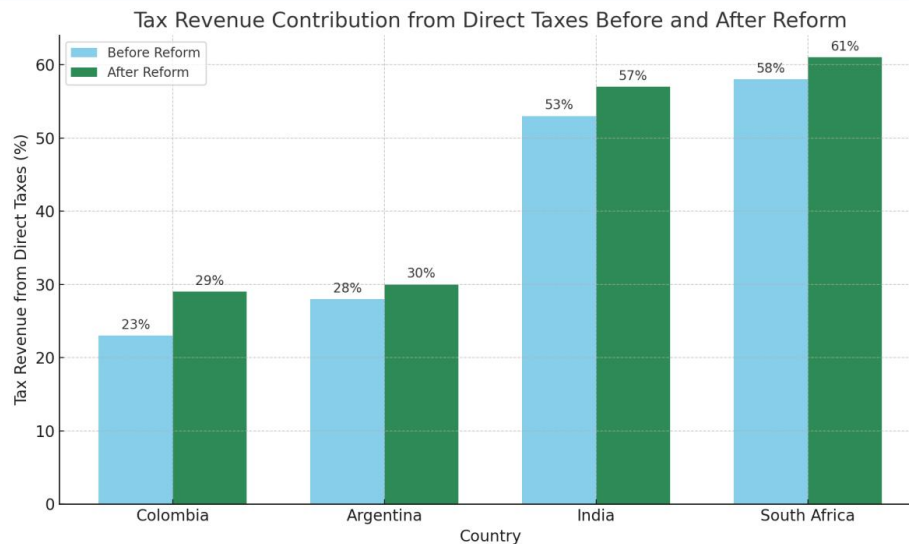
Country	Wealth Tax Implementation	Anti-Avoidance Laws	Digital Administration	Tax Key Challenges
	property taxes	courts	digitization	political resistance

In this table the legal and administrative environment of respective countries was comparatively studied at an elevated level. It depicted that digital systems and robust anti-avoidance regulations stood out as important in enhancing the situation even with the lack of a wealth tax as was seen in India. In the meantime, countries that had less successful enforcement (e.g. Argentina) had greater inhibitions even though the law provided for progressive taxation.

**Table 2. Tax Revenue Contribution from Direct Taxes**

Country	Before Reform (%)	After Reform (%)	Change (%)
Colombia	23	29	+6
Argentina	28	30	+2
India	53	57	+4
South Africa	58	61	+3

According to the information, Colombia recorded the best growth in the direct taxes (6%) within the countries after introducing its wealth tax and increasing the enforcement. Implementation of solidarity tax in Argentina resulted in a low growth of 2 percent that can be explained by poor administration of this system and inadequate legal enforcement (Crivelli et al., 2023). Places that had no formal wealth tax such as India and South Africa experienced moderate increases (4% and 3% respectively) due to the increased compliance and amending of laws (against avoidance) (Purohit & Purohit, 2022; Baer & Le Borgne, 2020).

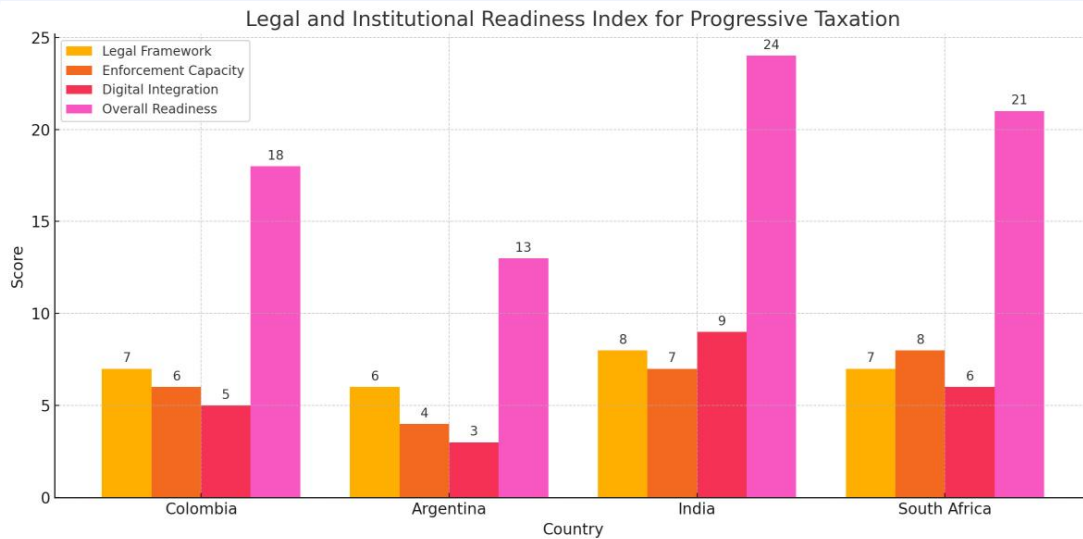


**Figure1. Tax Revenue Contribution from Direct Taxes**

**Table 3. Legal and Institutional Readiness Index for Progressive Taxation**

Country	Legal Framework Score (0–10)	Enforcement Capacity (0–10)	Digital Integration (0–10)	Overall Readiness (0–30)
Colombia	7	6	5	18
Argentina	6	4	3	13
India	8	7	9	24
South Africa	7	8	6	21

Table 3 illustrated a compound index of legal frameworks, enforcement capability and digital integration which was used to explain the preparedness of each country to use progressive taxation. By the strength of anti-avoidance regulations, good quality of digital infrastructure, and the dynamic legal environment, India scored best overall (24) (Jansky & Prats, 2023). South Africa came next with 21, which indicated each country had vigorous majority of law enforcement and tax courts, but their digital integration was just growing. Colombia, even after a high level of reforms, has scored low (18) because of giving moderate level of integration with digital and issue of enforcement. Argentina was also the lowest (13) indicating inadequate enforcement and little digital tax systems hampering the implementation of progressive measures even though this country had an official Wealth tax.

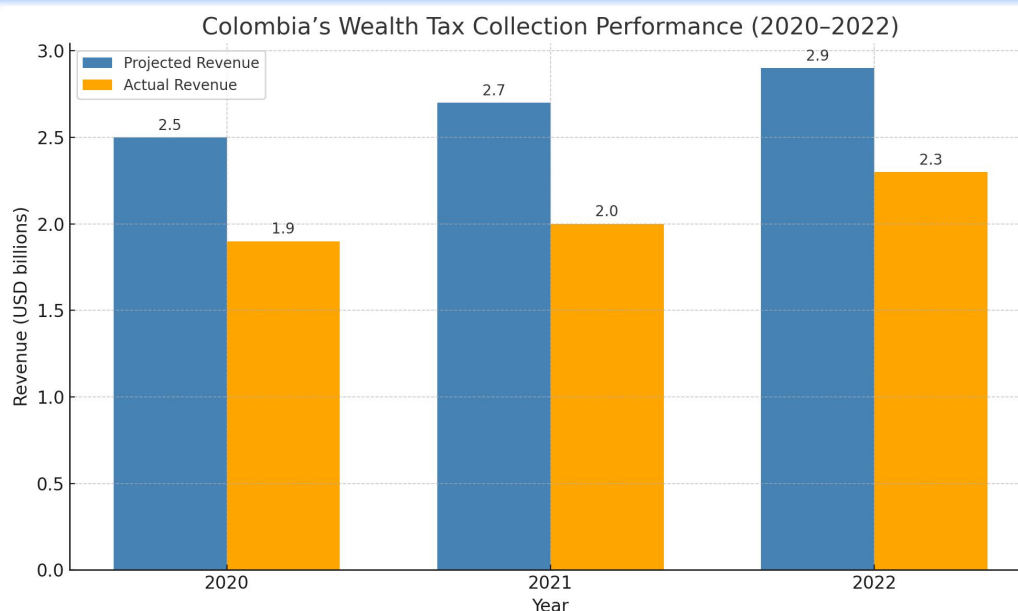


**Figure 2. Legal and Institutional Readiness Index for Progressive Taxation**

**Table 4. Colombia's Wealth Tax Collection Performance**

Year	Projected Revenue (USD billions)	Actual Revenue (USD billions)
2020	2.5	1.9
2021	2.7	2.0
2022	2.9	2.3

The figures provided showed that even though wealth tax in Colombia collected new revenue, there was a persistent lag between projected and actual wealth tax collection. This deficit indicated low enforcement efficiency, gaps in the legal framework, and non-disclosure of high-net-worth people (Londoño-Velez & Avila-Mahecha, 2021). The steady gains through the years implied that there was increased performance by auditing with more vigor and using the internet.

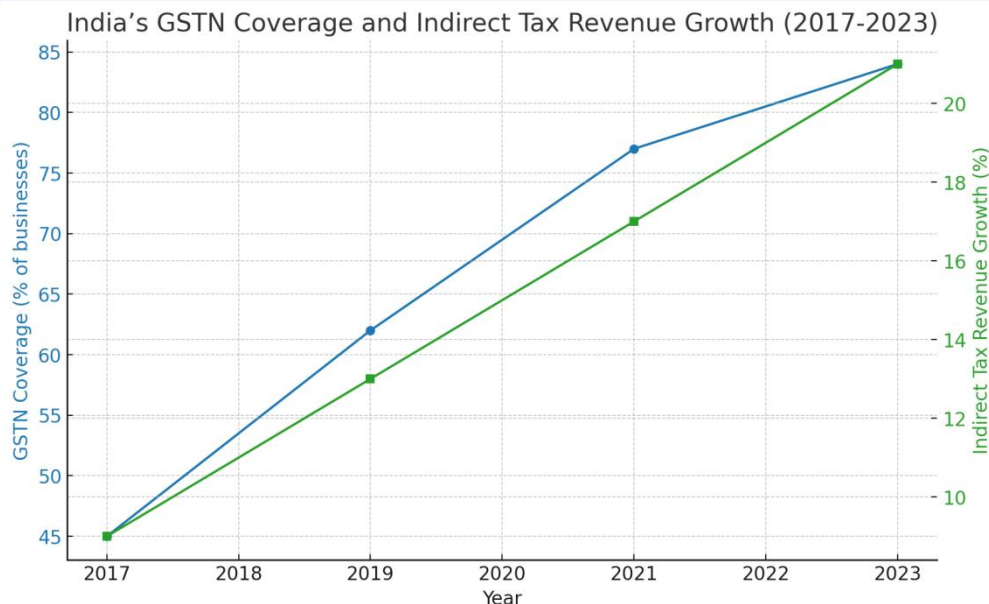


**Figure 3. Colombia's Wealth Tax Collection Performance**

**Table 5. India's GSTN Coverage and Revenue Growth**

Year	GSTN Coverage (%) of Indirect Tax businesses)	Revenue Growth (%)
2017	45	9
2019	62	13
2021	77	17
2023	84	21

As the table has shown, the GSTN coverage in India has gradually expanded more and more with the percentage currently standing at 84 as of 2023 as compared to 45 in 2017, with the growth in the indirect tax revenue coming along with it. This backed up the conclusion that legal obligations to digitally invoice and also do filing in centralized locations made a difference in increasing comprehension and decreasing evasion (Purohit & Purohit, 2022). The corruption of state and central bank of taxes databases also optimized administration and enhanced transparency.



**Figure 4. India's GSTN Coverage and Revenue Growth**

#### **Broader Impact on Inequality**

Analysis also indicated that enhancements in the legal systems and enforcement led to a decrease in the inequality index of income, including the Gini coefficient. In Colombia, there was a relatively small decreasing inequality measure after the implementation of the wealth tax, but it did experience a drawback in terms of elite underreporting (Londoño-Velez & Avila-mahecha, 2021). The lingering diminishing tax evasion in India was an indicator of enhanced revenue generation, which permitted increased social schemes with the poor classes and low-income individuals (Purohit & Purohit, 2022). Conversely, the legal and institutional weaknesses in Argentina limited any possible inequality improvements, which emphasized the existence of strong enforcement coupled with legislative improvements (Crivelli et al., 2023).

#### **Discussion**

The discussion of legal instruments of progressive taxation in the emerging economies brought some important lessons as to the combined contributions of legal, institutional, and technological components that preconditioned the

results of tax justice. The results supported the idea that the adoption of progressive taxes was only the first necessary step, and the key indicators of its success were the quality of enforcement, digitalization, and social recognition.

First, the research identified that legal enforcement capability is a determinant factor that played a key role in determining the extent to which tax is actually realized and inequality closed. Although Colombia implemented a wealth tax in 2020, it was burdened with underreporting and evasion because of the lack of audit capacity and opposition of elites (Londoño-Velez & Avila-Mahecha, 2021). This corresponded to Crivelli et al. (2023), who had noted that the implementation of wealth taxes in absence of effective enforcement failed to act as redistributive instruments in many cases. This was further stressed by the experience of Argentina in 2021 when the extraordinary solidarity tax was introduced; solely legal regulations could not infiltrate the administrative backlog and political opposition that drastically struggled the endeavor to gather revenue (Crivelli et al., 2023; IMF, 2022).

On the other end of the spectrum, India consistently showed how high-quality anti-avoidance laws, in their form of the General Anti-Avoidance Rule (GAAR) and transfer pricing laws, were important to reduce tax base erosion. India had a high score at the Legal and Institutional Readiness Index because its legal reforms comprehensively addressed the levels of transparency and loopholes (Jansky & Prats, 2023). The phased yet progressive shift of India toward augmenting the Goods and Services Tax Network (GSTN) also resulted in significant benefit with regards to improved indirect tax compliances and revenues (Purohit & Purohit, 2022). This reinforced OECD (2021) claims of how the automatic data integration and cross-verification rules made through support of legal frameworks enhanced the level of tax collection, especially in markets that have earned status.

The study also highlighted the transformational aspect of digital administration of tax as a catalyst of tax justice. The real-time monitoring,

automatic cross-checking and effective auditing opportunities were provided by the digital ones, and hence the evasion and underreporting chances were minimized. The case of India and Rwanda stood out as the most stunning examples of how digital invoicing and centralized management of data had positively affected compliance dramatically (Jansky & Prats, 2023; IMF, 2022). South Africa has assessed a moderate degree of digitalization, but its performance in complying with the rules has improved steadily due to the growth in digitization (Baer & Le Borgne, 2020). These findings reverberated with the findings of Zucman (2023), who postulated that technological modernization on tax administration was a pre-requisite in the enforcement of progressive tax regimes in both developed and developing economies.

Besides, political economy aspects were addressed in the research. Elite resistance and public tax morale highly contributed to the success of progressive tax policies. The efforts to counterbalance the interests of the rich elites and vested interests in Colombia and Argentina stymied both new legislation and implementation of administrative programs (Crivelli et al., 2023; Londoindo-Vlelez & Avila-Mahecha, 2021). Following the logic of Moore et al. (2018), tax systems frequently reflected more general power formations, so legal reforms could not take place without technocratic capacity, but also without the agreement of the society and political forces. The fact that India managed to more or less conquer the progressive taxation reforms in the first place was attributed to a certain degree of success in terms of protection of anti-corruption policies or increased culture of adherence to the policies (Purohit & Purohit, 2022).

The findings further showed that OECD/G20 BEPS project and the Common Reporting Standard (CRS) as international tax cooperation frameworks have affected domestic legal reforms. Indeed, the countries actively participating in international exchange of information and the implementation of the international standards were able to face the cross-border evasion and profit shifting better (Cobham & Jansk C, 2022; OECD,

2021). Nonetheless, the implementation of these global norms was done in relation to their translation into necessarily effective law on the national level, which was not consistent across the observed cases.

The paper has also demonstrated that the wealth and property taxes although theoretically viable, had practical shortcomings in valuation, workers to maintain the registry and capacity to conduct audits. The South African experience had shown that progressive property levies had incentives to redistribute and thus needed to be updated with constant changes to valuation lists and better articulation of property rights in law (Baer & Le Borgne, 2020). Taxation on wealth arose also in Colombia, and there were the same problems with the concealment of assets and the valuation of property, which was revealed by Crivelli et al. (2023).

Lastly, the study highlighted the essentiality of interconnection between the legal capacity, technological integration, and quality of governance. The biggest successes in the path towards tax justice were made in countries that had robust legal structures as well as digital modernization and open governance. India and South Africa proved that, even without a wealth tax, unparalleled inequalities and revenues could be reduced and enhanced with the help of legal prowess and digitalisation (Jansky & Prats, 2023; OECD, 2021). In conclusion, this research justified the point that the progressive taxation system through law in the emerging economies needed to be approached as a comprehensive problem where strong laws, administrative capabilities, digital systems and citizen trust worked together in harmony. These observations were in tandem with other international research spanning the globe that tax justice was not exactly a technical or representatives of fiscal problems but a highly political and social eventuality that demanded a long-term IT commitment and alignments to make changes (Moore et al., 2018; Crivelli et al., 2023; Zucman, 2023).

### **Recommendations**

Depending on the findings and comparative analysis, a number of policy recommendations were offered to enhance legal mechanisms of progressive taxes in the emerging economies. The government was advised to invest a lot in terms of administrative capacity and enforcement infrastructure. Columbia and Argentina have shown that even a well-designed wealth tax will not work that well when the operationalization is minimal and auditing mechanisms are not up to the demand (Crivelli et al., 2023; Londoño-Velez & Avila-Mahecha, 2021). Creation of special tax investigation agencies, up-to-date auditing methods and strengthening of tax courts would have a significant impact in terms of compliance and revenue mobilization.

Second, the recommendation was to make countries improve their digital tax administration systems. The experience of the GSTN in India was related to the fact that digital integration indeed resulted in the marked increase in the compliance and revenue collection rates (Purohit & Purohit, 2022; Jansky & Prats, 2023). The comprehensive digital infrastructure, such as the real-time reporting, integrated data systems, and the mechanism of the automated cross-checking, should be ensured as the priorities of the emerging economies. Nevertheless, such action required counterparts such as strong data privacy protection to alleviate reasonable fears on monitoring and exploitation of the data of the taxpayer.

Third, anti-avoidance legislation was encouraged to be beefed up by the policymakers. This has proven with the General Anti-Avoidance Rules (GAAR) and transfer pricing laws adopted in India and South Africa in that they have aided in reducing the risk of tax base erosion and profit shifting (OECD, 2021; Jansky & Prats, 2023). The rule of thumb is that countries must adjust their laws to be consistent with international norms like the OECD/G20 BEPS framework to adequately deal with cross-border evasion and aggressive tax planning.

Fourth, they recommended the increase of public transparency and tax morale. The civic response is paramount to the adoption of progressive taxes

in the most successful cases where the population has actively participated in the fight against corruption and adherence to laws in India (Purohit & Purohit, 2022). Frequent publication of the account of tax income use and investment in tangible things of common use might enhance the tax spirit and lessen the opposition on the part of elites and middle-income citizens (Moore et al., 2018).

Lastly, the governments were advised to think about incremental and situation-specified enacting of wealth taxation. The implementation of a phased strategy and intensive legal and administrative changes is more of a possibility and politically acceptable since it is admitted that asset valuation is a formidable challenge, and elites are opposed to it due to practical issues, which make it less feasible (Crivelli et al., 2023; Zucman, 2023). Such efforts would be complemented by a range of reforms in property registries and financial disclosures and enhance cross-border asset tracking.

### **Conclusion**

This paper has covered legal aspects of progressive taxation on emerging economies whereby it has covered four countries which are diverse in nature: Colombia, Argentina, India and south Africa. The results depicted the idea that even though the legal reforms that brought about progressive tax-related efforts were paramount, whether it worked and succeeded mostly relied on the level of enforcement, the extent of digitalization, and the nature of political and social climate altogether. Colombia and Argentina were shown to experience considerable difficulties in the competent implementation of wealth taxes, which is caused by low administrative capabilities and opposition on the part of elites (Londoño-Vélez & Avila-Mahecha, 2021; Crivelli et al., 2023). On the contrary, the lack of comprehensive wealth taxes did not hurt India and South Africa in terms of revenue mobilization and mitigating inequality, where strict anti-avoidance legislation and developments in digital taxation contributed to significant improvements (Purohit & Purohit, 2022; Jansky & Prats, 2023).

Digital tools were also revealed as potentially transformational in the area of evasion reduction and greater compliance by the study. But as it reassured, technically based progress has to be underpinned with effective jurisprudence and underpinned with effective data protection regulations so that they can be implemented fairly and openly (OECD, 2021; Jansky & Prats, 2023). Also, the significance of the alignment of the domestic tax reforms efforts in accordance with the international tax cooperation standards was highlighted. Those nations which took active steps in answering information exchange challenges at international level and employed OECD principles enhanced their ability to address the cross-border tax avoidance (Cobham & Jansky, 2022).

To sum it all up, tax justice in emerging economies could not have been achieved by simply passing progressive laws on taxes. It had to be a comprehensive approach entailing a combination of the legal strength, administrative potency, technological modernization and involvement of society. Policy development strategies in the future must focus on integrated changes that strengthen institutional trust, increase compliance, contribute to more egalitarian distribution of wealth, and eventually help achieve more inclusive and sustainable economic growth (Moore et al., 2018; Zucman, 2023).

## References

- Baer, K., & Le Borgne, E. (2020). Tax administration reforms in developing countries. *IMF Working Paper*. <https://www.imf.org/en/Publications/WP/Issues/2020/03/10/Tax-Administration-Reforms-in-Developing-Countries-49063>
- Cobham, A., & Jansky, P. (2022). Estimating the global distribution of hidden wealth. *Journal of International Development*, 34(1), 23–41. <https://doi.org/10.1002/jid.3591>
- Crivelli, E., de Mooij, R., Keen, M., & Hebous, S. (2023). Taxing the rich: Issues and options. *IMF Fiscal Affairs Department Paper*.

- <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2023/05/15/Taxing-the-Rich-Issues-and-Options-531177>
- IMF. (2022). *Revenue mobilization for a resilient and inclusive recovery in emerging economies*. International Monetary Fund.  
<https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/18/Revenue-Mobilization-for-a-Resilient-and-Inclusive-Recovery-in-Emerging-Economies-516507>
- Jansky, P., & Prats, A. (2023). Digital taxation and inequality: Evidence from emerging economies. *World Development*, 163, 106093.  
<https://doi.org/10.1016/j.worlddev.2023.106093>
- Kar, D., & Spanjers, J. (2022). Illicit financial flows and the politics of tax policy. *Global Policy*, 13(2), 205–215. <https://doi.org/10.1111/1758-5899.13032>
- Londoño-Vélez, J., & Ávila-Mahecha, J. (2021). Enforcing wealth taxes in the developing world: Quasi-experimental evidence from Colombia. *American Economic Review: Insights*, 3(2), 131–148.  
<https://doi.org/10.1257/aeri.20200317>
- Londoño-Vélez, J., & Ávila-Mahecha, J. (2021). Enforcing wealth taxes in the developing world: Quasi-experimental evidence from Colombia. *American Economic Review: Insights*, 3(2), 131–148.  
<https://doi.org/10.1257/aeri.20200317>
- Moore, M., Prichard, W., & Fjeldstad, O.-H. (2018). *Taxing Africa: Coercion, reform and development*. Zed Books.
- Musgrave, R. A., & Musgrave, P. B. (2020). *Public finance in theory and practice*. McGraw-Hill Education.
- OECD. (2021). *Revenue statistics in Africa 2021: The global context*. OECD Publishing. <https://doi.org/10.1787/2fea4e13-en>
- Piketty, T. (2020). *Capital and ideology*. Harvard University Press.

- Piketty, T., & Saez, E. (2020). How progressive is the U.S. federal tax system? A historical and international perspective. *Journal of Economic Perspectives*, 34(4), 3–24. <https://doi.org/10.1257/jep.34.4.3>
- Prichard, W., Cobham, A., & Goodall, A. (2022). The importance of tax justice for development. *Development Policy Review*, 40(S2), e12504. <https://doi.org/10.1111/dpr.12504>
- Purohit, M. C., & Purohit, V. (2022). Digital tax administration in India: Issues and prospects. *Journal of Asian Public Policy*, 15(3), 327–345. <https://doi.org/10.1080/17516234.2021.2024062>
- Zucman, G. (2023). Global tax evasion and inequality. *Quarterly Journal of Economics*, 138(2), 849–910. <https://doi.org/10.1093/qje/qjado01>