

## Digital Services Tax (DST) and Global Trade Conflicts: Balancing Fairness and Trade Relations

Putri Nur Aisyah<sup>1\*</sup>, Rina Tjandrakirana DP<sup>2</sup>

Accounting Department, Faculty of Economics, Universitas Sriwijaya

**Corresponding Author:** Putri Nur Aisyah [putrinura82@gmail.com](mailto:putrinura82@gmail.com)

---

### ARTICLE INFO

*Keywords:* Digital Services Tax, International Taxation, Global Trade Policy, Multilateral Tax Reform

*Received :* 13, February

*Revised :* 27, February

*Accepted:* 24, March

©2025 Aisyah, DP: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study examines the impact of the Digital Services Tax (DST) on global trade, tax fairness, and international tax reforms. Using a qualitative approach and a Systematic Literature Review (SLR) method, the research evaluates DST's role in addressing tax base erosion while highlighting its economic and geopolitical implications. Findings reveal that DST increases government revenues, particularly in developing nations, but also exacerbates trade conflicts and legal uncertainties, deterring Foreign Direct Investment (FDI). While the OECD's Pillars One and Two offer a multilateral alternative, their implementation remains complex and politically contested. The study concludes that achieving a sustainable digital tax system requires a balanced, cooperative framework to mitigate trade tensions and promote tax fairness.

---

## INTRODUCTION

The rise of the digital economy has fundamentally reshaped global business operations, challenging traditional taxation principles and exposing gaps in international tax frameworks. Unlike traditional enterprises, digital multinational enterprises (MNEs) can generate substantial revenue across multiple jurisdictions without a physical presence, allowing them to strategically allocate profits to low-tax jurisdictions (Greggi, 2020; Juswanto & Abiyunus, 2022; Pulay, 2021). This has led to mounting concerns over tax fairness, as countries struggle to collect taxes on economic activities occurring within their borders. In response, several nations have implemented Digital Services Taxes (DSTs) to ensure that digital firms contribute equitably to local tax revenues (Mponwana & Ndlovu, 2024; Oguttu, 2020; Sun et al., 2024).

However, DSTs have sparked significant trade conflicts, particularly with the United States, which argues that these taxes disproportionately target American tech giants and violate international trade principles (Noonan & Plekhanova, 2021; Pirlot & Culot, 2021). Between 2019 and 2021, the U.S. launched investigations into DSTs introduced by countries such as France, India, and the United Kingdom, citing concerns over discrimination against U.S.-based corporations (Pirlot & Culot, 2021). These disputes have escalated into broader trade tensions, as unilateral tax measures increase the risk of retaliatory tariffs and regulatory uncertainty (Okanga, 2021). The legal implications of DSTs under the World Trade Organization (WTO) framework remain ambiguous, with concerns that they may violate the General Agreement on Trade in Services (GATS) (Okanga, 2021; Richter, 2022).

Amid these challenges, international efforts to establish a coordinated approach to digital taxation have gained momentum. The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has proposed global reforms, including Pillar One, which reallocates taxing rights based on economic activity, and Pillar Two, which implements a global minimum tax (Liu et al., 2019; Trentini, 2021). However, despite these efforts, many countries continue to adopt unilateral DSTs, further complicating international trade relations and increasing compliance burdens for MNEs (Mponwana & Ndlovu, 2024).

This paper critically examines the intersection of DSTs and global trade conflicts, evaluating their implications for tax fairness, economic policy, and international cooperation. While DSTs represent a necessary step toward fairer taxation in the digital economy, their unilateral implementation risks exacerbating trade disputes and economic fragmentation. A globally coordinated solution remains imperative to balance tax equity with stable trade relations, ensuring a fair and predictable tax environment for the digital economy (Čerka et al., 2024; Parada, 2019).

## LITERATURE REVIEW

### *International Political Economy (IPE) Theory*

International Political Economy (IPE) theory is a framework that examines the intersection of political and economic forces in shaping global economic structures and relations. It provides a theoretical foundation for understanding how power, institutions, and economic processes interact on an international

scale (Oatley, 2021). Unlike traditional economics, which primarily focuses on market mechanisms, IPE integrates political analysis to explore the role of state and non-state actors in economic governance (Higgott, 2008).

The rise of DST exemplifies how states navigate economic governance in the digital era, reflecting tensions between free-market liberalism and state intervention (Parada, 2019). Mercantilist perspectives highlight DST as a tool for protecting national interests against foreign digital monopolies, while liberal theories argue that such measures disrupt global economic cooperation (Mansfield & Rudra, 2020).

Trade conflicts over DST underscore the role of economic power asymmetries, as dominant economies like the U.S. resist redistributive tax policies, fearing revenue losses and weakened corporate influence (Christensen & Hearson, 2019). Realist IPE theories explain these conflicts as strategic power struggles, where taxation policies serve as economic weapons in broader geopolitical contests (Wohlforth et al., 2007). Meanwhile, constructivist approaches emphasize the role of political narratives in shaping global policy responses, portraying DST as either necessary reform or discriminatory protectionism (Sun et al., 2024).

The challenge of balancing fairness in global taxation lies in structural inequities that favor multinational corporations over sovereign tax regimes. Marxist IPE perspectives argue that DST represents a corrective measure against exploitative global capitalism, yet its uneven implementation reflects persistent resistance from dominant economies (James, 2012). Liberal perspectives advocate for cooperative international tax reforms to ensure equitable revenue distribution while minimizing trade disruptions (Boucoyannis, 2007).

Balancing trade relations amid DST disputes requires navigating economic interdependence and diplomatic tensions. While trade retaliation threatens economic stability, liberal IPE views suggest that negotiated solutions can mitigate conflicts and promote fairer taxation mechanisms (Maha et al., 2024). However, evolving power dynamics, particularly with BRICS nations asserting greater influence, challenge existing trade structures and necessitate a reassessment of global economic governance (Kondratov, 2021).

Overall, IPE theory critically explains the complexities of DST and global trade conflicts by integrating insights on power struggles, economic fairness, and institutional governance. Addressing these challenges requires a nuanced approach that reconciles national interests with the imperative for equitable and sustainable global trade policies.

### *Digital Service Tax*

The Digital Services Tax (DST) marks a significant shift in international taxation, addressing challenges posed by MNEs that generate revenue without a physical presence. As an instrument of economic governance, DST challenges traditional tax frameworks and highlights tensions between developed and developing nations over taxation rights, with the former shaping global tax policies while the latter assert fiscal sovereignty (Cugusi, 2020; Magwape, 2022; Parada, 2019; Sun et al., 2024). From an International Political Economy (IPE) perspective, DST reflects geopolitical struggles over digital market regulation, as

its unilateral adoption has triggered trade conflicts, particularly with the U.S., which sees DST as discriminatory and has responded with retaliatory tariffs (Pirlot & Culot, 2021). These tensions underscore how taxation policies are intertwined with broader power struggles, where dominant economies resist redistributive measures to safeguard corporate interests (van Ganzen et al., 2025).

DST also raises concerns about economic fairness and its broader implications for global trade. While designed to curb tax avoidance, it risks shifting burdens onto consumers and SMEs, potentially exacerbating inequalities (Każmierczak, 2024). Legal and institutional challenges, including WTO disputes and inconsistencies with GATS principles, further complicate its global harmonization (Okanga, 2021). The OECD's proposal for a global minimum tax seeks to resolve these issues, yet national interests continue to obstruct consensus (Rigó & Tóth, 2021). In the final analysis, DST serves as a key case in IPE, illustrating the interplay between digital economic transformation, tax governance struggles, and the challenge of balancing fairness in global trade. Its future depends on whether international cooperation can align national interests with the need for equitable and sustainable taxation policies.

### ***Global Trade Conflicts***

Global trade conflicts stem from economic rivalries, protectionist policies, and geopolitical instability, shaping international trade governance. The imposition of DST has heightened tensions, particularly between the U.S. and implementing countries, as it challenges economic hierarchies and digital market dominance (Chatagnier & Kavaklı, 2017; Maha et al., 2024). IPE theory provides insight into these conflicts by examining power dynamics, state interests, and institutional structures. Political relationships shape trade patterns, with economic interdependence acting as both a stabilizing force and a coercive tool (Byun, 2021). Retaliatory measures against DST highlight broader strategic struggles, where dominant economies resist redistributive taxation to maintain corporate influence (Guan & Xu, 2021). Protectionist responses, such as tariffs and trade sanctions, further disrupt global value chains (Gopalakrishnan et al., 2022).

Additionally, DST-related trade conflicts expose the difficulties international institutions face in harmonizing taxation policies within a rapidly evolving digital economy. The OECD's push for a global minimum tax aligns with liberal IPE perspectives advocating for cooperative solutions, yet enforcement remains contested due to national interests (Borlini, 2023). Historical trade disputes influence current responses, as demonstrated by the EU's evolving stance on balancing economic integration with regulatory sovereignty (Gehrke, 2022). In conclusion, IPE theory explains how DST-related conflicts arise from power struggles, economic interdependence, and institutional constraints. Resolving these disputes requires balancing national taxation policies with the need for fairness in digital market governance, a challenge that remains deeply contested in the international economic order.

### ***Balancing Fairness***

Fairness in international trade and taxation remains a contested principle shaped by economic power, regulatory consistency, and equitable benefit distribution. In the context of DST, fairness requires multinational corporations to contribute appropriately to the economies where they generate value, preventing profit shifting and tax avoidance (Scheuerer, 2023). However, unilateral DST policies risk trade discrimination, disproportionately affecting dominant digital economies and triggering retaliatory measures (Colangelo, 2023). IPE theory provides insight into these dynamics, with realist perspectives emphasizing how dominant economies shape taxation frameworks to maintain their advantage, while liberal approaches highlight the need for cooperation to achieve equitable outcomes (Boucoyannis, 2007; Wohlforth et al., 2007). Structural equity theories advocate for a fairer distribution of economic gains, particularly as emerging economies challenge traditional power structures (Donno & Rudra, 2014; James, 2012).

Distributive justice underscores the need to compensate economies affected by global trade imbalances and taxation disparities (Conybeare, 2007). However, ensuring fairness in trade and tax policies requires robust institutional mechanisms, including unbiased dispute resolution systems and proportional regulatory measures (Andenas & Zleptnig, 2007; Brown & Stern, 2009). The OECD's global tax initiative seeks to balance national fiscal sovereignty with international taxation fairness, yet its implementation remains politically complex (Lin, 2021). Ultimately, achieving fairness in DST and global trade conflicts requires reconciling state sovereignty with international norms, preventing economic coercion while ensuring a more equitable tax and trade governance framework. Although fairness serves as a guiding principle, its practical implementation remains challenging due to ongoing tensions in the global economic order.

### ***Balancing Trade Relations***

Balancing trade relations in the context of DSTs and global trade conflicts requires a strategic approach that integrates fairness, regulatory alignment, and multilateral cooperation. As the digital economy expands, ensuring equitable taxation while maintaining open trade channels and avoiding unilateral protectionist measures is a key challenge (Andenas & Zleptnig, 2007; Yang et al., 2024). Harmonizing digital trade regulations and fostering collaborative policymaking can help reduce economic tensions and support a sustainable international trade framework. IPE theory explains trade relations as shaped by political and economic interdependence, where diplomatic ties influence trade patterns and economic stability (Çakmak & Ustaoglu, 2017; Maha et al., 2024). However, geopolitical disputes can disrupt trade, as seen in Turkish-Israeli trade fluctuations and China's economic coercion against South Korea (Byun, 2021).

Political economy models highlight how domestic political pressures shape trade policies, influencing tariffs, protectionist strategies, and digital taxation measures (Karacaovali, 2015; Swinnen & Vandemoortele, 2011). FTAs often serve political rather than purely economic purposes, reinforcing power dynamics in trade governance (Mon et al., 2019). The notion that trade fosters

peace is challenged by geopolitical rivalries, particularly US-China tensions, where strategic interests take precedence over economic interdependence (Peterson & Zeng, 2021). In summary, IPE provides a framework for analyzing trade relations through power, policy, and economic strategy. However, as digital taxation and geopolitical conflicts reshape trade policies, existing theories must be reassessed to address modern economic interdependencies and evolving trade governance structures.

### *Previous Research*

The Systematic Literature Review (SLR) method in this study refers to the PRISMA guide which broadly provides stages of research selection, starting from the initial discovery of articles through the Scopus database. The following are the filtering stages carried out to obtain a collection of sources according to the criteria of this study.

Table 1. Inclusion and Exclusion Criteria in Source Selection

<b>Criteria</b>	<b>Inclusion</b>	<b>Exclusion</b>
<b>Publication Type</b>	Scientific articles, books	Popular articles, opinions, non-academic reports
<b>Publication Year</b>	2019-2025	Before 2019
<b>Research Topic</b>	<ul style="list-style-type: none"> <li>• DST Policies and Digital Taxation Regulations</li> <li>• Global Trade Conflicts</li> <li>• Tax Fairness and Equity</li> <li>• Economic and Legal Perspectives</li> <li>• Empirical Cases and Country-Specific Studies</li> <li>• Role of International Organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Studies Unrelated to DST</li> <li>• Digital Trade Topics Without Taxation Relevance</li> <li>• Non-Credible Sources</li> <li>• Traditional Taxation Systems</li> <li>• Domestic Tax Regulations Without Global Trade Impact</li> <li>• Irrelevant Historical Taxation Studies</li> </ul>
<b>Journal Index</b>	Scopus Q1-4	Not Scopus
<b>Source Content</b>	Ensuring Consistency Between Abstract, Discussion, and Conclusion	Inconsistencies Between Abstract, Discussion, and Conclusion

From the criteria that have been determined, it is continued with the stage of selecting the number of sources that have been obtained by the provisions of the criteria that have been mentioned in the table so that they become samples in this study. These stages can be described through the following PRISMA diagram.

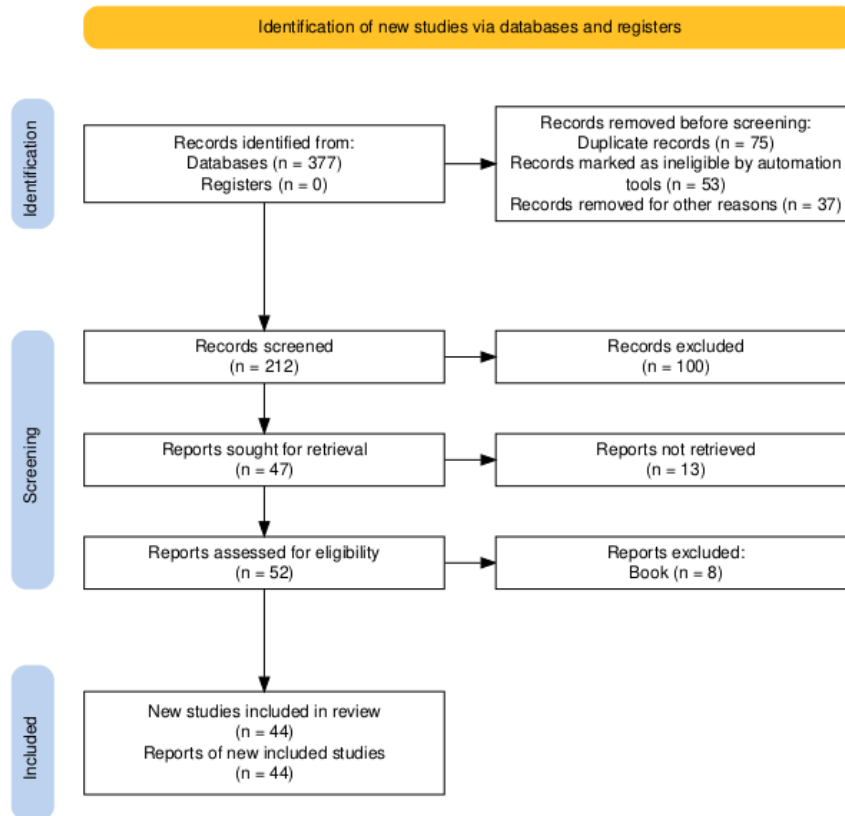


Figure 1. PRISMA Diagram

Based on the review of previous studies, two primary perspectives emerge regarding DST. The first perspective, supported by 23 studies, advocates for the adoption of DST, arguing that it enhances tax fairness and reduces tax avoidance by multinational digital enterprises. This viewpoint highlights that DST enables countries, particularly developing nations, to secure a more equitable share of tax revenues from digital economic activities, which have historically been difficult to tax (Heering et al., 2024; Mpofu, 2022, 2023).

Conversely, the second perspective, represented by 21 studies, underscores the negative consequences of DST, particularly its role in escalating trade conflicts and creating legal uncertainties. Several studies highlight that the implementation of DST has triggered threats of retaliatory tariffs from major economies, especially the United States, which views the tax as discriminatory against its technology firms (Greggi, 2020; Pirlot & Culot, 2021). Moreover, legal challenges arise as DST is perceived to potentially violate non-discrimination principles under international trade agreements (Okanga, 2021). Other economic concerns include the potential decline in foreign direct investment (FDI) due to regulatory uncertainty, as well as increased tax compliance burdens for both local and multinational businesses (Álvarez Martínez et al., 2024; Berger & Polezharova, 2023).

From these two perspectives, it can be concluded that the effectiveness of DST largely depends on balancing the goals of tax fairness with the stability of global trade. By understanding these contrasting viewpoints, this study formulates conclusions regarding the relationship between DST, economic stability, investment, and tax equity in the global digital economy. The table

below presents a summary of previous studies that serve as the primary references for this research.

Table 2. Previous research on Digital Services Tax (DST) and its impact on global trade

Variable	Index	Author	Research Results
Digital Service Tax	Q1	Heering et al., (2024), Hines, (2023), Tofan, (2024), Valderrama, (2024)	(+)
	Q2	Mpofu, (2022), Mpofu, (2023), Mpofu & Moloji, (2022), Guo et al., (2022), Bilotta, (2020), Milogolov & Berberov, (2022), Ponomareva, (2022),	
	Q3	Noonan & Plekhanova, (2021), Avi-Yonah et al., (2022), Rigó & Tóth (2021), Pulay, (2021), Li, (2021), Chaisse, (2023)	
	Q4	Lamensch, (2019), Adda et al., (2021), Rodríguez, (2021), Andrade, (2021), Arginelli & Reboli, (2023), Ahmadova & Rahman, (2024)	
	Q1	Russo, (2019), Noonan & Plekhanova, (2020)	(-)
	Q2	Pirlot & Culot, (2021), Okanga, (2021), Oguttu, (2020), Álvarez Martínez et al., (2024), Mponwana & Ndlovu, (2024), Greggi, (2020), Kayis-Kumar, (2019), Dimitropoulou, (2019), Magwape, (2022), Kaźmierczak (2024)	
	Q3	Elisabet & Dewi, (2021), Berger & Polezharova, (2023), Tsindeliani et al., (2021), Huang & Liao, (2024), Sun et al., (2024),	
	Q4	Omodero, (2022), Bilaney & Nori, (2024), Pesiri, (2023), da Silva, (2020),	
(+) has a positive effect, (-) has a negative effect			

## METHODOLOGY

This study employs a qualitative research approach using the Systematic Literature Review (SLR) method. This method involves the systematic collection, evaluation, and synthesis of various prior studies that specifically examine the Digital Services Tax (DST) and its impact on global trade. The primary objective of this research is to analyze DST through the lens of tax justice theory and international trade relations while exploring its implications for global economic policy. By adopting this approach, the study aims to offer new insights into how DST can be examined in the context of balancing tax justice and trade tensions, as well as its effects on the stability of economic relations among nations.

## RESEARCH RESULT

The findings of this study indicate that the implementation of the Digital Services Tax (DST) presents a complex and multifaceted impact on global trade, with 23 studies supporting DST as a tool for tax fairness and 21 studies highlighting its potential to trigger trade conflicts and legal uncertainty. DST has

been shown to increase government revenues, particularly in developing economies struggling with tax base erosion due to the digitalization of economic activities (Milogolov & Berberov, 2022; Mpofu, 2022). Furthermore, DST enhances market competitiveness by reducing the tax advantages enjoyed by multinational technology firms that engage in tax avoidance strategies (Bilotta, 2020; Rigó & Tóth, 2021). However, opposing studies argue that DST exacerbates trade tensions, particularly with the United States, which perceives it as discriminatory against American technology companies, thereby increasing the risk of retaliatory tariffs and legal disputes at the WTO (Okanga, 2021; Pirlot & Culot, 2021).

Additionally, several studies have found that DST negatively affects Foreign Direct Investment (FDI) by introducing regulatory uncertainty and increasing the tax burden on digital enterprises (Álvarez Martínez et al., 2024; Berger & Polezharova, 2023). This uncertainty is further compounded by the fragmented nature of international tax policies, allowing major corporations to shift profits to low-tax jurisdictions as a means of circumventing DST (Greggi, 2020; Kayis-Kumar, 2019). While the OECD has proposed Pillars One and Two as a multilateral solution to digital taxation, many developing nations remain hesitant to dismantle their DST frameworks without clear assurances that these new mechanisms will generate equivalent fiscal benefits (Heering et al., 2024; Hines, 2023).

## DISCUSSION

### *Impact of DST on International Trade*

1. *How do countries implementing DST react to threats of retaliatory tariffs from other countries, especially the US?*

Countries implementing DSTs navigate U.S. retaliatory threats through economic, legal, and diplomatic strategies that reflect broader trade and taxation dynamics. The U.S., citing Section 301 of the Trade Act of 1974, argues that DSTs unfairly target American digital firms and violate WTO non-discrimination principles, justifying potential tariffs (Pirlot & Culot, 2021). Despite these threats, France, the UK, and India maintain DSTs, prioritizing fiscal sovereignty and revenue needs over trade retaliation risks (Heering et al., 2024; Noonan & Plekhanova, 2021). Legally, DSTs are structured to align with WTO and GATS rules, yet debates persist regarding their compliance (Okanga, 2021; Pirlot & Culot, 2021). As OECD-led negotiations face delays, many nations, including EU member states and Indonesia, adjust DST frameworks to mitigate legal challenges while asserting control over digital taxation (Elisabet & Dewi, 2021; Hines, 2023).

Economically, DST-implementing countries accept potential tariff costs in exchange for securing fairer tax revenues from digital multinationals (Avi-Yonah et al., 2022). Their persistence despite U.S. pressure reflects a broader trend of economic nationalism, where governments prioritize domestic tax policies over external coercion (Heering et al., 2024). Diplomatically, DSTs function as bargaining tools in OECD-led negotiations, with countries like France and India leveraging them to pressure the U.S. into serious multilateral discussions (Heering et al., 2024; Hines, 2023). Conversely, the U.S. employs tariffs as a

coercive tactic to protect its digital sector dominance. However, historical evidence suggests tariff threats often fail to overturn fiscal policies, as seen in past trade disputes (Noonan & Plekhanova, 2021).

From an IPE perspective, the DST dispute highlights asymmetric global power relations, with the U.S. defending its tech giants while smaller economies seek fairer digital tax distribution (Noonan & Plekhanova, 2021). The conflict between unilateral DSTs and multilateral negotiations underscores the challenge of reaching global consensus on digital taxation. As more nations integrate DSTs into national policies, the debate signifies a shift in global tax governance, where economic sovereignty and fair revenue allocation remain central to trade tensions.

2. *How much the impact does the Digital Services Tax (DST) have on Foreign Direct Investment (FDI) in countries that implement it?*

The implementation of Digital Services Tax (DST) significantly impacts Foreign Direct Investment (FDI) by introducing economic, political, and strategic challenges. Economically, DSTs raise tax burdens on digital businesses, reducing profitability and discouraging investment, particularly in developing countries where FDI is vital for growth (Oguttu, 2020; Omodero, 2022). Empirical studies in Nigeria highlight a negative correlation between digital taxes and FDI inflows, while in developed economies like the UK, DSTs have been linked to GDP decline despite some welfare benefits (Álvarez Martínez et al., 2024). In Russia, DSTs shift costs to consumers and businesses, reducing market attractiveness and further deterring foreign investment (Berger & Polezharova, 2023). These economic uncertainties weaken investor confidence, particularly in markets where digital services are key drivers of economic expansion.

Politically, unilateral DST adoption creates instability due to the absence of a harmonized global tax framework. While the OECD's Pillar One initiative seeks a coordinated approach, delays in consensus-building have led to fragmented tax environments (Hines, 2023; Mponwana & Ndlovu, 2024). Countries implementing DSTs struggle to attract FDI as tax unpredictability discourages long-term investment planning. Additionally, major economies like the U.S. have responded with retaliatory tariff threats, heightening trade tensions and increasing regulatory risks (Greggi, 2020). This uncertainty deters investors, who prioritize stable tax regimes when making investment decisions.

Strategically, MNEs react to DSTs by shifting profits to lower-tax jurisdictions and adjusting investment strategies to minimize tax liabilities (Kayis-Kumar, 2019). High DST rates lead companies to reconsider expansion in DST-imposing markets, favoring jurisdictions with more favorable tax policies (Zambujal-Oliveira, 2011). As a result, DSTs reduce FDI inflows by discouraging investment in digital-intensive markets. To mitigate these adverse effects, policymakers must balance fair taxation with investment competitiveness, ensuring tax stability and reducing trade disputes through multilateral cooperation, such as the OECD's Pillar One framework (Hines, 2023). Without such coordination, DSTs will continue to create economic, policy, and administrative barriers that undermine market appeal and long-term investment stability.

3. *Is Digital Service Tax (DST) effective in increasing tax revenues without causing negative consequences for the global digital economy?*

The effectiveness of the Digital Services Tax (DST) in increasing tax revenues while avoiding negative impacts on the global digital economy remains debated. While DST has successfully boosted government revenues, especially in developing economies where digital firms were previously undertaxed (Mpfungu, 2022, 2023), its broader economic implications raise concerns. From an International Political Economy (IPE) perspective, DST represents the tension between national tax sovereignty and global economic integration, requiring a balance between revenue generation and trade stability. Although DST helps prevent tax base erosion and ensures fair contributions from multinational digital firms (Rigó & Tóth, 2021), its turnover-based structure leads to inefficiencies, double taxation, and reduced investment (Russo, 2019). In China, DST has not significantly increased the tax-to-GDP ratio (Huang & Liao, 2024), while in Russia and the UK, it has resulted in higher consumer costs and economic slowdowns (Álvarez Martínez et al., 2024; Berger & Polezharova, 2023).

Beyond economic effects, DST also introduces administrative and policy challenges. Its unilateral implementation creates tax uncertainties, complicates compliance, and fuels trade disputes. France's DST led to U.S. retaliatory threats under Section 301 of the Trade Act of 1974, raising concerns about WTO violations and intensifying global tensions (Greggi, 2020; Oguttu, 2020; Okanga, 2021). These conflicts undermine international cooperation and deter foreign investment, as businesses prefer stable regulatory environments (Tsindeliani et al., 2021). To address these challenges, alternatives such as VAT expansion on digital services or a coordinated global framework under the OECD's Pillar One initiative have been proposed (Dimitropoulou, 2019; Russo, 2019). The East African Community (EAC) has explored formulary apportionment to ensure fairer tax distribution while minimizing market disruptions (Titus, 2023), emphasizing the need for tax harmonization to reduce regulatory fragmentation (Chaisse, 2023).

Ultimately, DST plays a crucial role in achieving tax fairness by ensuring that digital giants contribute to national revenues. However, its long-term success depends on balancing fiscal objectives with economic sustainability and international cooperation. Without a globally coordinated approach, DST risks undermining innovation, discouraging investment, and escalating trade tensions, making it a complex yet necessary tool in the evolving landscape of digital taxation.

### ***Fairness in Digital Taxation System***

1. *Does Digital Service Tax (DST) truly reflect the principle of tax fairness for developing countries compared to developed countries?*

The Digital Services Tax (DST) was introduced to ensure that multinational digital enterprises (MNEs) pay taxes in the countries where they generate revenue, but its fairness between developed and developing nations remains disputed (Rigó & Tóth, 2021). From an International Political Economy (IPE) perspective, DST reflects global tax governance imbalances, as developed countries, with their dominant digital firms and stronger regulatory frameworks,

are better positioned to implement and benefit from these taxes, while developing nations face compliance challenges and economic burdens (Mpfu, 2022). For developing economies, DST serves as a mechanism to combat tax base erosion and increase revenue, particularly in Africa, where traditional tax systems have struggled to capture income from digital transactions (Mpfu & Moloji, 2022). However, weak tax administration and enforcement often shift the burden onto consumers and small businesses rather than the intended tech giants, raising concerns about economic sustainability and fairness (Kaźmierczak, 2024).

Developed countries, particularly in the European Union (EU), have implemented DST to address the historically low corporate tax contributions of major tech companies like Google, Amazon, and Facebook (Lamensch, 2019). The EU treats DST as an indirect tax, similar to VAT, ensuring that digital firms contribute more equitably to public finances. However, applying this model to developing nations is challenging due to differences in economic structures and regulatory capacities (Mpfu & Moloji, 2022). Additionally, DST may negatively impact foreign direct investment (FDI) in developing countries, as increased tax uncertainty and operational costs for tech firms could discourage investment, limiting local digital innovation and economic growth (Oguttu, 2020). While developed economies can absorb these trade-offs due to their diversified economic bases, developing nations rely more heavily on foreign investment, creating a paradox where DST, intended to promote tax fairness, could worsen economic disparities instead.

China's approach to digital taxation offers a balanced model, capturing digital revenues while maintaining a favorable investment climate to avoid deterring technological advancements and foreign partnerships (Cao, 2023; Guo et al., 2022). This underscores the need for tailored DST policies that align with each country's economic realities while ensuring multinational corporations contribute fairly. However, without global tax governance reforms that account for developing nations' interests—such as those proposed under the OECD's Pillar One framework—DST risks reinforcing existing inequalities rather than promoting true tax fairness. A harmonized, multilateral approach is essential to ensure that both developed and developing countries benefit equitably from the digital economy.

*2. How does the implementation of DST impact local technology companies compared to multinational companies?*

The Digital Services Tax (DST) impacts multinational corporations (MNCs) and local technology firms differently, presenting both opportunities and challenges. While DST aims to curb tax avoidance by MNCs and ensure they contribute to the economies where they generate revenue (Noonan & Plekhanova, 2020; Pulay, 2021), it also increases compliance costs and regulatory complexities, potentially affecting investment and profitability (Bilotta, 2020; Mponwana & Ndlovu, 2024). Although DST can enhance the competitiveness of local firms by reducing MNCs' tax advantages (Álvarez Martínez et al., 2024; Mponwana & Ndlovu, 2024), MNCs often pass these costs onto consumers,

which may decrease demand for digital services and negatively impact local markets (Berger & Polezharova, 2023).

For local technology companies, DST creates a paradox. While it helps narrow the tax gap between them and MNCs, fostering a more level playing field, compliance costs and administrative burdens remain significant, particularly in regions with weak tax enforcement (Magwape, 2022; Mpofu & Moloji, 2022). Unlike MNCs, which can reallocate revenues and engage in strategic tax planning, local firms have limited financial flexibility, making them more vulnerable to the economic effects of DST (Avi-Yonah et al., 2022; Pulay, 2021). Additionally, MNCs may absorb some of the tax costs while maintaining their market dominance, whereas smaller domestic firms struggle to compete (Sun et al., 2024). The risk of tax pass-through effects, where businesses shift the tax burden onto consumers, could further reduce market demand and hinder digital sector growth (Berger & Polezharova, 2023).

The unilateral adoption of DST across various jurisdictions has led to policy uncertainty, increasing risks for both MNCs and local businesses. Many governments introduced DST due to delays in global tax reforms like the OECD's Pillar One initiative (Greggi, 2020; Noonan & Plekhanova, 2020), but this has triggered trade tensions, particularly with the U.S., where major tech firms are based. Such geopolitical disputes create tax inconsistencies and reduce DST's effectiveness. To balance revenue generation with economic competitiveness, policymakers should consider exemptions or lower tax rates for smaller domestic firms, integrate DST into broader corporate tax reforms, and strengthen international cooperation to establish a fairer digital tax system (Mponwana & Ndlovu, 2024). Without these measures, DST may unintentionally reinforce MNC dominance while stifling local technological innovation, ultimately undermining the goal of equitable digital taxation.

### ***Multilateral Alternatives to DST***

#### *1. Are OECD Pillars One and Two Sufficient to Replace DST Globally?*

The OECD's Pillars One and Two aim to reform global taxation by addressing digital services taxation challenges, but their ability to fully replace Digital Services Taxes (DSTs) remains contested. Pillar One seeks to reallocate taxing rights to market jurisdictions, ensuring multinational enterprises (MNEs) pay taxes where they generate revenue, even without a physical presence (Li, 2021; Wang, 2023). However, its implementation requires complex legal and multilateral changes, creating delays and uncertainties (Adda et al., 2021; Hines, 2023). Many countries that rely on DSTs for direct revenue may be hesitant to adopt Pillar One without guarantees of equivalent fiscal benefits (Heering et al., 2024; Hines, 2023).

Pillar Two introduces a 15% global minimum tax to curb profit shifting and tax competition (Bilaney & Nori, 2024; da Silva, 2020). While it helps address base erosion and profit shifting (BEPS), it does not directly replace DSTs because it does not specifically target the unique tax challenges of the digital economy (Garbarino, 2024; Pesiri, 2023). Instead, it serves as a broader anti-avoidance measure for all large MNEs, leaving the taxation gap that DSTs were designed to bridge unaddressed (Arginelli & Reboli, 2023). Countries with large consumer

markets but few MNE headquarters remain concerned that the OECD's approach does not adequately distribute tax revenues to their economies, reinforcing their reluctance to abandon DSTs (Andrade, 2021; Rodríguez, 2021).

A key challenge for the OECD's approach is the lack of global consensus on implementation. Many governments see DSTs as a reliable revenue source and a tool for asserting tax sovereignty over digital markets (Milogolov & Berberov, 2022). Ongoing trade tensions, particularly between the U.S. and countries that have implemented DSTs, further weaken tax cooperation (Avi-Yonah et al., 2022). From an International Political Economy (IPE) perspective, unilateral DSTs persist due to conflicts between national interests and multilateral coordination (da Silva, 2020; Pesiri, 2023). While the OECD's frameworks offer a structured approach, their political and enforcement uncertainties make DSTs likely to persist unless stronger commitments ensure equitable revenue distribution, reinforcing the fragmented nature of global tax governance.

## *2. How effective is international cooperation in reducing trade tensions due to DST?*

International cooperation has played a crucial role in addressing trade tensions related to Digital Services Taxes (DSTs), but its effectiveness remains mixed due to geopolitical conflicts, legal challenges, and slow multilateral progress. The OECD's Inclusive Framework has facilitated discussions on global tax reform, yet the persistence of unilateral DSTs indicates unresolved tensions. The U.S. has strongly opposed these taxes, viewing them as unfairly targeting American technology firms and threatening retaliatory tariffs, escalating trade frictions (Heering et al., 2024; Okanga, 2021). While the OECD's Pillars One and Two aim to replace DSTs with a coordinated tax system to curb profit shifting, implementation delays and political resistance have limited their effectiveness in easing trade disputes (Noonan & Plekhanova, 2021; Ponomareva, 2022).

Legal complexities further hinder consensus, as unilateral DSTs may conflict with WTO non-discrimination principles, potentially leading to legal disputes (Pirlot & Culot, 2021). Additionally, inconsistencies between national tax policies and trade agreements create uncertainty, making digital tax harmonization more challenging (Chaisse, 2023; Zu, 2023). Many countries maintain DSTs as temporary measures while awaiting a comprehensive multilateral agreement (Russo, 2019). Meanwhile, regional cooperation efforts, such as the European Union's coordinated digital tax policies, provide some stability by reducing regulatory fragmentation and mitigating trade tensions (Tofan, 2024).

Beyond tax policy alignment, international cooperation plays a key role in fostering legal certainty and technological collaboration. Adhering to international trade laws helps prevent retaliatory measures, while diplomatic engagement promotes long-term solutions that balance tax sovereignty with fair competition in digital markets (Noonan & Plekhanova, 2020; Subramanian, 2022). However, geopolitical rivalries and strategic national interests continue to challenge full cooperation. Although global efforts have helped ease some trade tensions, DSTs—and the conflicts they generate—are likely to persist unless

multilateral agreements are effectively implemented and enforced. Strengthening international dialogue and reinforcing commitments to coordinated tax policies will be essential for a lasting resolution.

3. *To what extent can developing countries participate in the formulation of global digital tax policies?*

Developing countries play an essential role in shaping global digital tax policies but face structural, political, and economic constraints that limit their influence. Implementing unilateral DSTs allows them to assert tax sovereignty and collect revenue from multinational digital firms operating within their borders. However, these measures often provoke trade tensions, particularly with the U.S., which sees them as disproportionately targeting American technology companies (Milogolov & Berberov, 2022; Ranjan, 2023). Consequently, developing nations face pressure to align with multilateral frameworks like the OECD/G20 Inclusive Framework, though concerns remain that such agreements primarily benefit wealthier economies while limiting tax sovereignty for emerging markets (Mpofu, 2022).

The OECD/G20 Inclusive Framework provides developing countries with a platform to negotiate tax reforms, particularly under Pillars One and Two, which seek to reallocate taxing rights and establish a global minimum tax (Hines, 2023). However, developing nations often struggle to exert significant influence in these discussions, as wealthier countries shape the negotiation agenda and dictate terms that may not fully address the revenue needs of emerging economies (Mpofu, 2022). To strengthen their position, regional cooperation initiatives—such as the African Tax Administration Forum (ATAF) and Latin American tax agreements—enable developing nations to negotiate as a bloc, enhancing their collective bargaining power in global tax discussions (Ahmadova & Rahman, 2024; Oguttu, 2020). Despite these efforts, regional initiatives face obstacles such as political fragmentation, economic disparities, and difficulties in implementing uniform tax policies.

Structural limitations further hinder the ability of developing countries to shape digital tax policies effectively. Outdated international tax rules fail to account for the rapid digitalization of emerging economies, where informal markets and digital financial services complicate tax enforcement (Rigó & Tóth, 2021). Additionally, technological constraints and limited administrative capacity make it difficult to monitor and tax digital transactions, putting developing nations at a disadvantage in global tax negotiations. To secure fair taxation rights, these countries must advocate for equitable tax policies, strengthen regional coordination, and strategically engage in multilateral negotiations. Without proactive participation, they risk marginalization in global tax governance, allowing multinational corporations to exploit loopholes while emerging economies struggle to generate adequate digital sector revenue.

## **CONCLUSIONS AND RECOMMENDATIONS**

The implementation of the Digital Services Tax (DST) has had complex ramifications for international trade, the fairness of digital tax systems, and multilateral efforts in global tax reform. From a trade perspective, DST has

triggered geopolitical tensions, particularly because the United States perceives the policy as discriminatory against its major technology companies, such as Google, Facebook, and Amazon. The threat of retaliatory tariffs from the US under Section 301 of the Trade Act of 1974 has exacerbated the situation, increasing the risk of instability in global trade relations. Furthermore, countries that have implemented DST face the risk of declining foreign direct investment (FDI) due to policy uncertainty, potentially hindering the growth of the digital economy and innovation at the domestic level.

From a tax fairness perspective, DST is designed to address the challenges of digital taxation by ensuring that global technology companies contribute proportionally to the tax revenues of the countries where they generate income. However, its effectiveness remains a subject of debate. Developing countries regard DST as an instrument for increasing tax revenues and curbing tax avoidance practices by multinational digital corporations. Nevertheless, regulatory challenges, weak tax infrastructure, and the risk of tax burdens being shifted onto local consumers and businesses present significant dilemmas. Meanwhile, developed countries, despite being better equipped to implement DST, continue to face intricate trade disputes and prolonged international negotiations.

As an alternative to DST, the Organisation for Economic Co-operation and Development (OECD) has proposed two main pillars of digital tax reform: Pillar One, which aims to redistribute taxing rights to market jurisdictions, and Pillar Two, which establishes a global minimum tax of 15% to mitigate profit shifting to low-tax jurisdictions. While these pillars offer a multilateral solution, their implementation presents considerable challenges, including divergent interests between developed and developing nations, as well as the necessity for substantial structural adjustments in international tax law. Many countries that have already adopted DST are hesitant to repeal the policy without assurances that the new framework will provide equivalent or greater fiscal benefits.

## **ADVANCED RESEARCH**

Despite the study's contributions to understanding the global implications of DST, several limitations should be acknowledged. First, the research primarily relies on qualitative analysis of existing literature, which, while comprehensive, does not provide empirical validation through quantitative data on DST's long-term economic effects. Future research could enhance this analysis by incorporating econometric models or case studies measuring the direct fiscal and trade impacts of DST across different jurisdictions. Second, the study focuses largely on government-level responses and multinational enterprises, with limited exploration of how small and medium-sized enterprises (SMEs) and consumers experience DST's economic burden. Future research should examine the microeconomic effects of DST, particularly in developing markets where digital entrepreneurship is growing.

Additionally, the study does not extensively account for ongoing developments in global digital tax negotiations, which may shape future taxation policies. As OECD negotiations evolve and more countries adjust their digital tax

strategies, further research should explore the dynamic interplay between unilateral DSTs and multilateral tax frameworks. Moreover, comparative studies assessing the effectiveness of DST alternatives—such as extending VAT on digital services or hybrid tax models—would provide valuable insights for policymakers seeking to balance tax fairness with economic competitiveness.

Overall, this study does not unequivocally support or oppose DST but rather underscores the complexities and challenges associated with its implementation. On one hand, DST helps combat tax avoidance by large digital firms and enhances fiscal equity, particularly for countries that have historically received inadequate tax revenues from global technology corporations. On the other hand, its adverse effects on international trade, potential reductions in investment, and the fragmentation of digital tax policies highlight that DST is not a flawless solution. Consequently, the optimal approach is neither to simply retain DST nor to replace it outright but to align it with multilateral initiatives such as OECD Pillars One and Two while ensuring that the interests of developing nations are adequately considered in global digital tax policy design. A more coordinated and inclusive strategy would mitigate economic uncertainties and foster a fairer, more sustainable digital taxation system.

## REFERENCES

- Adda, M., Scandone, F. S., & Lorenzi, U. (2021). The New Taxing Right under Pillar One: Preliminary Thoughts on Potential Implications for MNEs. *International Transfer Pricing Journal*, 2021(1), 9–16. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85153098818&partnerID=40&md5=b2486bfe5ce892342bd36f2a0e2d8ae1>
- Ahmadova, S., & Rahman, A. (2024). Digitalization and its tax implications: Evidence from the UK and Hungary. In *Studies in Systems, Decision and Control* (Vol. 525, pp. 511–520). Springer Science and Business Media Deutschland GmbH. [https://doi.org/10.1007/978-3-031-54383-8\\_39](https://doi.org/10.1007/978-3-031-54383-8_39)
- Álvarez Martínez, M. T., Gesualdo, M., & Pycroft, J. (2024). Storm in the Cloud: A Study on the Macroeconomic Impact of the UK's Digital Service Tax. *Economic Systems Research*. <https://doi.org/10.1080/09535314.2024.2374767>
- Andenas, M., & Zleptnig, S. (2007). Proportionality and balancing in WTO law: a comparative perspective. *Cambridge Review of International Affairs*, 20(1), 71–92. <https://doi.org/10.1080/09557570701232233>
- Andrade, B. (2021). Developing Countries and the Proposed Article 12B of the UN Model: Some Known Unknowns. *International Tax Studies*, 2021(6), 1–23. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85173023504&partnerID=40&md5=11d413659a2ee7f28a32085f6c78839f>
- Arginelli, P., & Reboli, F. (2023). Pillar Two and Tax Competition: What is the Future of Tax Incentives? In F. E. & C. F. (Eds.), *Lecture Notes in Civil Engineering: Vol. 342 LNCE* (pp. 177–202). Springer Science and Business Media Deutschland GmbH. [https://doi.org/10.1007/978-3-031-30879-6\\_14](https://doi.org/10.1007/978-3-031-30879-6_14)
- Avi-Yonah, R., Kim, Y. R., & Sam, K. (2022). A New Framework for Digital Taxation. *Harvard International Law Journal*, 63(2), 279–341. <https://www.scopus.com/inward/record.uri?eid=2-s2.0->

- 85160079982&partnerID=40&md5=e3a5add165dbbd5b5f5a098f39b44a48
- Berger, A., & Polezharova, L. V. (2023). Tax on Digital Services: Assessment of the Advantage of the Introduction in Russia. *Finance: Theory and Practice*, 27(1), 54–62. <https://doi.org/10.26794/2587-5671-2023-27-1-54-62>
- Bilaney, S. K., & Nori, S. (2024). Interplay between Pillar Two and Transfer Pricing Rules. *International Transfer Pricing Journal*, 31(3), 152–156. <https://doi.org/10.59403/3y0sz3w>
- Bilotta, N. (2020). Beyond the Digital Tax: The Challenges of the EU's Scramble for Technological Sovereignty. *International Organisations Research Journal*, 15(4), 30–47. <https://doi.org/10.17323/1996-7845-2020-04-02>
- Bird, R. M., & Zolt, E. M. (2008). Technology and taxation in developing countries: From hand to mouse. *National Tax Journal*, 61(4 PART 2), 791–821. <https://doi.org/10.17310/ntj.2008.4s.02>
- Borlini, L. (2023). Economic Interventionism and International Trade Law in the Covid Era. *German Law Journal*, 24(1), 1–16. <https://doi.org/10.1017/glj.2023.13>
- Boucoyannis, D. (2007). The international wanderings of a liberal idea, or why liberals can learn to stop worrying and love the balance of power. *Perspectives on Politics*, 5(4), 703–727. <https://doi.org/10.1017/S1537592707072180>
- Brown, A. G., & Stern, R. M. (2009). Chapter 2 Issues of Fairness in Dispute Settlement. In J. C. Hartigan (Ed.), *Trade Disputes and the Dispute Settlement Understanding of the WTO: An Interdisciplinary Assessment* (Vol. 6, pp. 33–72). Emerald Group Publishing Limited. [https://doi.org/10.1108/S1574-8715\(2009\)0000006005](https://doi.org/10.1108/S1574-8715(2009)0000006005)
- Byun, S.-W. (2021). Interdependence, identity, and China–South Korea political relations: Asia's paradox. *Asian Survey*, 61(3), 473–499. <https://doi.org/10.1525/AS.2021.61.3.473>
- Çakmak, C., & Ustaoglu, M. (2017). Politics vs. trade: a Realist view on Turkish–Israeli economic relations. *Israel Affairs*, 23(2), 303–323. <https://doi.org/10.1080/13537121.2016.1274506>
- Cao, B. M. (2023). The Chinese Perspective on International Tax Law. In *The Oxford Handbook of: International Tax Law* (pp. 821–840). Oxford University Press. <https://doi.org/10.1093/oxfordhb/9780192897688.013.48>
- Čerka, P., Grigienė, J., & Venslovaitytė, K. (2024). Tax Challenges Arising from Digitalization: Evaluating the Taxation Models Proposed by the European Commission and the OECD. *Review of European and Comparative Law*, 58(3), 99–116. <https://doi.org/10.31743/recl.17376>
- Chaisse, J. (2023). Tax, trade, and investment conundrum in Asia-Pacific regionalism. *Asia Pacific Law Review*, 31(2), 535–555. <https://doi.org/10.1080/10192557.2023.2216414>
- Chatagnier, J. T., & Kavaklı, K. C. (2017). From Economic Competition to Military Combat: Export Similarity and International Conflict. *Journal of Conflict Resolution*, 61(7), 1510–1536. <https://doi.org/10.1177/0022002715613565>
- Christensen, R. C., & Hearson, M. (2019). The new politics of global tax governance: taking stock a decade after the financial crisis. *Review of International Political Economy*, 26(5), 1068–1088.

- <https://doi.org/10.1080/09692290.2019.1625802>
- Colangelo, G. (2023). In Fairness We (Should Not) Trust. The Duplicity of the Eu Competition Policy Mantra in Digital Markets. *SSRN Electronic Journal*, 1–27. <https://doi.org/10.2139/ssrn.4360057>
- Conybeare, J. A. C. (2007). Efficiency, entitlements and deservingness: Perspectives on international distributive justice. *Review of International Political Economy*, 14(3), 389–411. <https://doi.org/10.1080/09692290701395668>
- Cugusi, I. (2020). Prospects for taxation of the digital economy between “tax law and new economy” and “tax law of the new economy.” *World Tax Journal*, 12(4), 763–797. <https://doi.org/10.59403/3jq87rb>
- da Silva, B. (2020). Taxing Digital Economy: A Critical View Around the Globe (Pillar Two). *Frontiers of Law in China*, 15(2), 111–141. <https://doi.org/10.3868/s050-009-020-0009-7>
- Dimitropoulou, C. (2019). The digital services tax and fundamental freedoms: Appraisal under the doctrine of measures having equivalent effect to quantitative restrictions. *Intertax*, 47(2), 201–218. <https://doi.org/10.54648/taxi2019018>
- Donno, D., & Rudra, N. (2014). To fear or not to fear? BRICs and the developing world. *International Studies Review*, 16(3), 447–452. <https://doi.org/10.1111/misr.12152>
- Elisabet, M., & Dewi, Y. K. (2021). Digital Services Tax Regulation and WTO Non-discrimination Principle: Is the Deck Stacked? *Indonesian Journal of International Law*, 19(1), 39–57. <https://doi.org/10.17304/ijil.vol19.1.2>
- Garbarino, C. (2024). The OECD/G20 and the EU global minimum tax. In *Research Handbook on Post-Pandemic EU Economic Governance and NGEU Law* (pp. 282–297). Edward Elgar Publishing Ltd. <https://doi.org/10.4337/9781035328161.00030>
- Gehrke, T. (2022). EU Open Strategic Autonomy and the Trappings of Geoeconomics. *European Foreign Affairs Review*, 27, 61–78. <https://doi.org/10.54648/EERR2022012>
- Gopalakrishnan, B. N., Chakravarthy, S. L., Tewary, T., & Jain, V. (2022). Isolating China: Deglobalisation and its Impact on Global Value Chains. *Foreign Trade Review*, 57(4), 390–407. <https://doi.org/10.1177/00157325211045463>
- Greggi, M. (2020). Rise and Decline of the Westphalian Principle in Taxation: The Web Tax Case. *EC Tax Review*, 6–21. <http://www.kluwerlawonline.com/api/Product/CitationPDFURL?file=Journals%5CECTA%5CECTA2020002.pdf>
- Guan, C., & Xu, Q. (2021). The boundary of supranational rules: Revisiting policy space conflicts in global trade politics. *Journal of World Trade*, 55(5), 853–880. <https://doi.org/10.54648/trad2021036>
- Guo, Y., Zou, T., & Shan, Z. (2022). Taxation strategies for the governance of digital business model – An example of China. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.1013228>
- Heering, J., Crasnic, L., & Newman, A. (2024). When digital taxes come due: national digital taxes and the negotiation of the OECD inclusive framework.

- New Political Economy*. <https://doi.org/10.1080/13563467.2024.2405524>
- Higgott, R. (2008). International political economy. In *A Companion to Contemporary Political Philosophy* (pp. 153–182). Wiley. <https://doi.org/10.1002/9781405177245.ch6>
- Hines, J. R. (2023). Digital Tax Arithmetic. *National Tax Journal*, 76(1), 119–143. <https://doi.org/10.1086/723179>
- Huang, T., & Liao, L. (2024). The erosive effect of digital economy on tax revenue: empirical evidence from urban panels in China. *Applied Economics Letters*. <https://doi.org/10.1080/13504851.2024.2363321>
- James, A. (2012). Fairness in Practice: A Social Contract for a Global Economy. In *Fairness in Practice: A Social Contract for a Global Economy*. Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780199846153.001.0001>
- Juswanto, W., & Abiyunus, Y. F. (2022). Taxing the Digitalized Economy An Emerging Markets Perspective. In *Taxation in the Digital Economy: New Models in Asia and the Pacific* (pp. 56–81). Taylor and Francis. <https://doi.org/10.4324/9781003196020-5>
- Karacaovali, B. (2015). Varying Political Economy Weights of Protection: The Case of Colombia. *Economics and Politics*, 27(2), 290–312. <https://doi.org/10.1111/ecpo.12057>
- Kayis-Kumar, A. N. N. (2019). The importance of lawyers in international tax policy design and development: An exploration and extension of the legal-economic literature. *University of New South Wales Law Journal*, 42(1), 269–299. <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85066627509&partnerID=40&md5=e02db3e0e0d3789b6cc82e6666c131dd>
- Kaźmierczak, M. (2024). Five Years of Digital Services Taxes in Europe: What Have We Learned? *Intertax*, 52(10), 635–646. <https://doi.org/10.54648/TAXI2024065>
- Kondratov, D. I. (2021). Internationalization of the Currencies of BRICS Countries. *Herald of the Russian Academy of Sciences*, 91(1), 37–50. <https://doi.org/10.1134/S1019331621010044>
- Lamensch, M. (2019). Digital Services Tax: A Critical Analysis and Comparison with the VAT System. *European Taxation*, 59(6). <https://doi.org/10.59403/weqhhg>
- Li, J. (2021). The legal challenges of creating a global tax regime with the oecd pillar one blueprint. *Bulletin for International Taxation*, 75(2), 84–93. <https://doi.org/10.59403/1a68ax>