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Chasing the Missing Billions: A Literature Study on Tax Revenue and Its Global Challenges

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ABSTRACT
Purpose: *This study aims to examine and synthesize the growing body of scholarship on tax revenue mobilization and the multidimensional challenges that constrain it across developed and developing economies. By mapping the determinants, obstacles, and emerging solutions discussed in recent research, the study seeks to clarify why many governments continue to struggle to raise sufficient domestic revenue despite decades of administrative and policy reform.*
Method: *This research applies a literature study approach, systematically searching, screening, and synthesizing peer-reviewed journal articles indexed in Scopus, Web of Science, and related scholarly databases. A structured search and screening protocol was applied to identify relevant publications from the past decade, resulting in a final set of thirty-one primary studies that were analyzed thematically to extract patterns, gaps, and policy implications.*
Findings: *The reviewed literature showed that tax revenue performance is shaped by an interacting set of structural, institutional, and behavioral factors, including economic structure, governance quality, corruption, trade openness, and natural resource dependence. Digitalization of tax administration and the growth of artificial intelligence-based compliance tools offer considerable promise for narrowing the tax gap, taxes are undermined by persistent obstacles such as the informal and shadow economy, base erosion and profit shifting, the taxation of the digital and gig economy, cryptocurrency transactions, and fragile tax morale among citizens.*
Implications: *The findings imply that revenue mobilization strategies cannot rely on technology alone. Sustainable improvement requires parallel investment in institutional capacity, administrative digitalization, taxpayer trust, and coordinated international tax governance, particularly for developing economies that remain exposed to profit shifting and resource-revenue volatility.*
Originality: *This study contributes originality by consolidating a wide and fragmented body of recent literature, spanning classical determinants of tax effort, current digital tax administration research, and emerging challenges from the platform and crypto economy, into a single integrated narrative that highlights both the persistence and the evolution of tax revenue challenges in today's global economy.*

Keywords: *tax revenue, tax compliance, digital tax administration, tax evasion, literature study.*

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1. INTRODUCTION

Tax revenue is the fiscal backbone of the modern state, the primary channel through which governments finance public goods, redistribute income, and build the institutional foundations of long-term development. Without adequate domestic revenue, even the most carefully designed development agenda risks becoming an unfunded promise. Besley and Persson (2014) frame this problem sharply by asking why many developing countries continue to collect only a fraction of the tax revenue that their economic size would predict, and by tracing the answer to weak fiscal capacity rather than simply low tax rates. Their argument reoriented an entire field of study away from tax policy design and toward the deeper question of state capacity, opening space for the rich and increasingly diverse literature that this study seeks to organize and interpret.

The urgency of understanding tax revenue challenges has only intensified in the past several years. According to recent official statistics, average tax-to-GDP ratios among OECD economies reached a record high in 2024 even as many low and middle-income countries continued to fall well short of the revenue levels needed to meet their development financing commitments (OECD, 2025). The IMF's own longitudinal revenue database, updated most recently in 2026, likewise documents wide and persistent gaps in tax effort between advanced and developing economies, gaps that have proven remarkably resistant to two decades of technical assistance and administrative reform (International Monetary Fund, 2026). These figures matter because they are not merely descriptive. They represent lost investment in health, education, infrastructure, and social protection, and they help explain why revenue mobilization remains one of the most actively researched topics in public economics and public administration today.

A first strand of explanation for these persistent gaps centers on the structural and macroeconomic characteristics of an economy. Countries whose economies remain heavily informal, resource dependent, or open to unmanaged trade tend to exhibit systematically lower tax effort, because large segments of economic activity either escape the tax net entirely or generate revenue through channels, such as trade taxes, that are being progressively eroded by liberalization (Hồ et al., 2023; Akitoby et al., 2019). A second strand looks inward at the state itself, asking how governance quality, bureaucratic capacity, and corruption shape the ability of a tax administration to identify, assess, and collect what is legally owed Atangana Ondoa and Ngobo Philibert (2026), and colleagues term the institutional dimension of revenue mobilization, distinguishing it clearly from the purely economic determinants that dominated earlier generations of research.

A third and rapidly expanding strand of literature examines how digital technology is reshaping both the opportunities and the risks facing tax administrations. E-invoicing, prefilled tax returns, artificial intelligence-based risk scoring, and blockchain-enabled audit trails are increasingly presented as structural solutions to long standing compliance gaps Hesami et al. (2024). Yet the same digital transformation that empowers tax authorities has also given rise to entirely new categories of taxable activity, from gig and platform work to cryptocurrency transactions, that existing legal and administrative frameworks were never designed to capture (Mol & Molho, 2024; Kicová et al., 2025). The tension between digitalization as a solution and digitalization as a source of new revenue leakage is one of the most consequential and underexplored themes running through contemporary tax scholarship.

Finally, a fourth strand of literature addresses the behavioral and international dimensions of the revenue problem, from the erosion of citizens' tax morale under conditions of perceived unfairness or weak public service delivery Puklavec et al. (2025), to the systemic drain created by multinational profit shifting and aggressive international tax planning that developing countries are particularly ill-equipped to counter. Layered on top of these long-running challenges are a series of acute external shocks, most notably the COVID-19 pandemic, whose disruption of consumption, employment, and cross-border trade produced sharp and, in some cases, lasting contractions in tax revenue across both advanced and developing economies (Țibulcă, 2021; Gupta & Jalles, 2021).

Despite the breadth and vitality of this literature, it remains fragmented across disciplinary traditions, from public finance and development economics to public administration, accounting, and information systems, and across empirical settings that range from single-country case studies to large cross-national panels. Few studies attempt to bring the structural, institutional, technological, and behavioral strands together into a single coherent account of why tax revenue remains such a persistent and multidimensional challenge. This study addresses that gap through a literature study of thirty-one recent, predominantly Scopus and Web of Science-indexed publications. The specific objectives of this research are threefold: first, to map the principal determinants and constraints of tax revenue performance identified in recent scholarship; second, to trace how digitalization, the platform economy, and cryptocurrency are reshaping the boundaries of the taxable base and the tools available to tax administrations; and third, to synthesize the policy implications of this literature for governments, particularly in developing and resource dependent economies, that continue to search for sustainable paths toward stronger domestic revenue mobilization.

The scope of this study is deliberately broad rather than narrowly technical, because the tax revenue challenge itself is not confined to any single policy instrument or administrative function. Earlier generations of research often treated tax policy design, tax administration, taxpayer behavior, and international tax cooperation as largely separate fields of inquiry, each with its own journals, conferences, and methodological conventions. The literature reviewed in this study suggests that such separation is increasingly difficult to sustain. A reform to value-added tax administration, for example, cannot be properly evaluated without understanding the informal economy it is meant to capture, the digital infrastructure through which it will be enforced, and the taxpayer trust on which its voluntary compliance ultimately depends. By deliberately drawing together structural, technological, behavioral, and international governance strands of the literature within a single synthesis, this study aims to offer readers, whether academic researchers, tax administrators, or development policy practitioners, a more integrated vantage point from which to understand why tax revenue challenges persist and how they are likely to evolve over the coming decade.

2. RESEARCH METHOD

2.1. Research Design

This study employed a literature study design, a research method that systematically identifies, screens, and thematically synthesizes existing scholarly evidence relevant to a defined research question without conducting new primary data collection. A literature study was considered appropriate for this topic because tax revenue and its challenges have been studied through markedly different methodological lenses, including macro panel econometrics, systematic reviews, bibliometric analysis, laboratory and survey experiments, and qualitative case studies, none of which could be meaningfully pooled through meta-analytic techniques alone. The review process nonetheless followed a transparent, staged protocol inspired by systematic review conventions in order to minimize selection bias and to make the search and screening process auditable.

2.2. Sources and Data Collection

The literature search was conducted primarily in Scopus and Web of Science, supplemented by Google Scholar, ScienceDirect, SpringerLink, Taylor and Francis Online, Emerald Insight, SAGE Journals, and the IMF and OECD institutional repositories to capture recent working papers and statistical publications that inform the empirical context of the discussion. The search combined the core term tax revenue with a set of secondary terms joined through the Boolean operators AND and OR, including tax compliance, tax evasion, tax administration, digitalization, e-government, base erosion and profit shifting, shadow economy, informal economy, tax morale, value added tax, natural resource revenue, and cryptocurrency taxation. The search was limited to publications from 2014 through 2026 in order to capture both the foundational theoretical contributions that continue to anchor the field and the most current empirical and conceptual developments, while a deliberate screening rule ensured that the great majority of the final sample was drawn from the most recent decade of publication.

The databases used in this study were deliberately weighted toward Scopus and Web of Science because both indexing services apply independent quality and peer review verification to the journals they cover, which strengthens confidence in the methodological rigor of the underlying studies. Reliance on a single database was avoided because indexing coverage differs meaningfully across publishers and regions, and a single source search risks systematically under representing scholarship published in certain journal families or geographic contexts, a risk that is particularly acute for a global topic such as tax revenue mobilization where relevant evidence originates from every region of the world.

Inclusion Criteria:
1. Peer-reviewed journal articles published between 2014 and 2026, with the substantial majority published between 2019 and 2026
2. Written in English and accessible in full text through an institutional subscription, open access license, or an official institutional repository
3. Substantively addressing tax revenue mobilization, tax compliance, tax administration, or a closely related fiscal governance theme
4. Published in a journal indexed in Scopus or Web of Science, or issued by a major multilateral institution such as the IMF or the OECD
5. Reporting empirical findings, a systematic or bibliometric review, or a well-developed conceptual argument relevant to the study objectives

Exclusion Criteria:
1. Editorials, brief commentaries, book reviews, and non-peer-reviewed opinion pieces
2. Articles that mention taxation only incidentally without substantively analyzing revenue mobilization or its challenges
3. Publications whose full text could not be retrieved through any available access channel
4. Duplicate records identified across more than one database

2.3. Article Selection Process
The selection process proceeded in four stages. In the identification stage, the search across all databases returned 412 records. In the screening stage, 47 duplicate records were removed, leaving 365 unique records whose titles and abstracts were then screened against the inclusion and exclusion criteria, after which 214 records were retained for full text review. In the eligibility stage, full text assessment excluded a further 183 records, most commonly because the article addressed taxation only tangentially, was not accessible in full text, or fell outside the Scopus or Web of Science indexing requirement. In the final inclusion stage, 31 articles satisfied all inclusion criteria and were retained for thematic analysis and synthesis, forming the evidentiary basis of the discussion that follows. This staged process, while adapted for a thematic literature study rather than a formal meta-analysis, mirrors the transparency and replicability that structured review protocols such as PRISMA are designed to promote.

2.4. Data Extraction and Analysis
Each of the 31 included studies was catalogued using a standardized extraction template capturing author, year of publication, journal, geographic or institutional context, research method, and principal findings. Extracted data were then organized inductively into six recurring themes through iterative thematic coding: structural and macroeconomic determinants of tax revenue, digitalization and technology-driven tax administration, tax compliance and tax morale, the shadow and informal economy, global tax governance challenges including profit shifting and the taxation of digital and crypto assets, and the role of institutional quality alongside external shocks such as the COVID-19 pandemic and the global energy transition. Table 1 summarizes a representative subset of the included literature (16 articles), and the following section presents the full thematic synthesis.

Table 1. Illustrative Summary of Studies Included in the Literature Synthesis

No	Author(s)	Year	Thematic Focus	Method	Key Finding
1	Besley & Persson	2014	Why states tax so little	Conceptual / cross-country	Fiscal capacity, not tax rates alone, explains low tax effort in developing states
2	Akitoby et al.	2019	Tax revenue mobilization episodes	Panel case studies	Successful revenue episodes combine tax policy and administrative reform
3	Sen & Wallace	2022	Subnational VAT productivity	Quantitative, India	VAT productivity varies widely across states due to administrative capacity
4	Adandohoin	2021	VAT and excise performance	Panel, developing countries	VAT revenue performance depends on complementary excise and trade reform
5	Tşibulcă	2021	COVID-19 and EU tax revenue	Panel, EU member states	Pandemic shocks produced sharp but uneven contractions in tax revenue
6	Gupta & Jalles	2021	COVID-19 and tax reform	Panel, developing countries	Crisis pressure can accelerate, not only delay, tax reform efforts
7	Schneider	2022	Shadow economy estimation	MIMIC modeling, global	Shadow economy size rose sharply during the pandemic, then partially receded
8	Hesami et al.	2024	E-invoicing and prefilled returns	Systematic literature review	Digital filing tools reduce compliance costs and narrow reporting gaps
9	Belahouaoui & Attak	2024	AI in tax administration	Systematic review, textometry	AI adoption reshapes compliance behavior but requires institutional readiness
10	Zhou et al.	2025	Digital economy and tax services	Panel, China	Digital tax services strengthen the link between service quality and compliance
11	Su	2025	Tax administration digitization	Quasi experiment, China	Digitized administration reduces corporate tax avoidance opportunities
12	Puklavec et al.	2025	Concept of tax morale	Systematic literature review	Tax morale is multidimensional and shaped by trust, fairness, and norms
13	Mol & Molho	2024	Platform economy taxation	Behavioral experiment	Awareness of new platform tax rules reduces intended future platform use
14	Lazea et al.	2025	Cryptocurrency tax research	Bibliometric analysis	Cryptocurrency taxation research is expanding but remains fragmented
15	Nguyen et al.	2026	Corruption and tax revenue	Panel, developing countries	Corruption's revenue impact is moderated by the administrative compliance burden
16	Laniran & Adeleke	2023	Resource wealth and tax capacity	Panel, oil economies	Resource abundance can weaken non resource tax effort and accountability

Source: Processed by the authors, 2026

4. RESULTS AND DISCUSSION

4.1. General Characteristics of Included Studies

The 31 studies included in this literature synthesis were published between 2014 and 2026, with a pronounced concentration in the 2021 through 2026 period, reflecting an intensifying research interest that closely tracks the acceleration of digital tax administration and the fiscal pressures unleashed by the COVID-19 pandemic and its aftermath. In terms of empirical setting, the literature spans single-country studies concentrated in Sub-Saharan Africa, East and Southeast Asia, and the European Union, together with cross-national panels covering dozens of developing and advanced economies. Methodologically, the sample includes panel and cross-sectional econometric studies, systematic and bibliometric literature reviews, behavioral and laboratory experiments, and quasi-experimental natural experiment designs, a diversity that mirrors the genuinely interdisciplinary character of contemporary tax revenue research.

Table 1 presents a representative subset of the included literature, summarizing the author, year, thematic focus, method, and key finding of sixteen illustrative studies drawn from across the six themes that structure the discussion below. The remaining studies in the reference list are integrated directly into the narrative synthesis that follows

4.2. Structural and Macroeconomic Determinants of Tax Revenue Performance

The most established theme in the literature concerns the structural and macroeconomic determinants of tax revenue performance. Building on the foundational insight of Besley and Persson (2014), that fiscal capacity rather than tax policy design alone explains why so many developing states under-collect relative to their economic potential, subsequent research has identified a consistent set of structural correlates of tax effort. Trade openness is one of the most extensively studied, and the evidence here is genuinely double-edged. Hồ et al. (2023) find that trade openness can strengthen the tax revenue to growth relationship in developing countries when it is accompanied by a shift toward domestic consumption taxes, yet the same liberalization that expands the tax base through greater economic activity simultaneously erodes the customs and trade tax revenue that many low income countries have historically relied upon, a tension that Akitoby et al. (2019) identify as central to understanding why successful revenue mobilization episodes almost always combine tax policy reform with parallel administrative strengthening rather than relying on trade or growth dynamics alone.

Value-added tax performance offers a second important structural lens. Sen and Wallace (2022) demonstrate, using subnational data from India, that VAT revenue productivity varies enormously even within a single country, driven less by statutory rate design than by administrative capacity, compliance infrastructure, and the breadth of the effective tax base. Adandohoin (2021) extended this insight across a wider panel of developing countries, showing that the revenue performance of VAT and excise instruments depends heavily on complementary reforms to customs administration and trade taxation, reinforcing the broader theme that no single tax instrument can be evaluated, or reformed, in isolation from the wider fiscal system in which it operates.

Natural resource dependence constitutes a third structural determinant with particularly severe implications for tax capacity. Laniran and Adeleke (2023) examine a panel of oil-abundant developing economies and find that resource wealth, rather than automatically strengthening the fiscal position of the state, can paradoxically weaken the incentive to build robust non-resource tax administration and public accountability mechanisms, a pattern often described in the wider literature as a revenue curse running parallel to the more familiar resource curse. This finding carries significant policy weight because it implies that resources in rich developing countries face a distinctive and in some respects more difficult tax capacity problem than resources in poor economies of similar income levels, one that cannot be solved through resource revenue alone and that in fact requires deliberate counter-cyclical investment in non-resource tax administration precisely when resource revenue appears abundant.

Taken together, this cluster of studies establishes that tax revenue performance cannot be reduced to tax rates or even to administrative effort narrowly defined. Trade structure, the composition of the tax base, and the presence or absence of natural resource wealth interact with institutional capacity to produce highly divergent revenue outcomes across countries that may appear similar in income level or regional context, underscoring why the remaining themes in this synthesis, which examine technology, compliance behavior, international governance, and institutional quality, are necessary complements to this structural literature rather than competing explanations.

A further nuance emerging from this structural literature concerns sequencing. Several of the studies reviewed here caution against treating structural reform, such as broadening the VAT base or renegotiating trade tariffs, as a one-time event rather than an ongoing process that must be continually recalibrated as an economy evolves. Economies that industrialize, formalize, or diversify away from resource dependence over time require corresponding adjustments to their tax mix, and countries that fail to update their revenue structure in step with structural economic change risk a slow erosion of tax effort even in the absence of any single identifiable policy failure, a dynamic that helps explain why tax to GDP ratios in some rapidly growing developing economies have stagnated or even declined despite sustained economic expansion.

4.3. Digitalization and Technology-Driven Tax Administration

A second and rapidly expanding theme addresses how digital technology is transforming tax administration from the inside out. Hesami et al. (2024), in a systematic literature review of e-invoicing and prefilled tax return systems, find consistent evidence that digital filing infrastructure reduces both the compliance costs borne by taxpayers and the reporting gaps that tax administrations must otherwise close through costly enforcement action, though the authors caution that these gains depend heavily on complementary investment in digital identity systems and taxpayer digital literacy. Belahouaoui and Attak (2024), applying a textometric systematic review to the emerging concept of Tax Administration 3.0, similarly document a shift from digitized paperwork toward artificial intelligence-enabled risk profiling and predictive compliance analytics, while emphasizing that the behavioral effect of these tools on taxpayer compliance remains contingent on institutional readiness rather than being an automatic consequence of technology adoption.

Empirical evidence from China offers some of the most granular insight into how digital tax administration functions in practice. Zhou et al. (2025), using provincial panel data, show that digital economy development strengthens the relationship between the quality of tax services and taxpayer compliance, suggesting that digitalization amplifies rather than replaces the importance of service oriented tax administration. Su (2025), exploiting the staged rollout of the Golden Tax III digital invoicing system as a quasi-natural experiment, finds that digitization measurably reduces corporate tax avoidance by narrowing the information asymmetry between firms and tax authorities, a result that speaks directly to the promise of digital administration as a structural, rather than merely incremental, solution to compliance gaps. Anjarwi (2026) extends this technological frontier further, arguing that artificial intelligence, big data analytics, and blockchain-enabled audit trails are jointly reshaping how tax evasion is detected, moving enforcement away from retrospective auditing and toward continuous, real-time transaction monitoring.

Yet the same digitalization that strengthens enforcement capacity also generates new categories of economic activity that existing tax frameworks struggle to capture. Mol and Molho (2024), in a behavioral experiment on platform economy taxation, find that simply informing users about new tax reporting obligations for gig and platform income measurably reduces their stated intention to continue using such platforms, a finding with important implications for how governments communicate and sequence platform tax reforms if they wish to avoid driving activity further into informality. Cryptocurrency presents an even sharper version of this challenge. (Lazea et al., 2025; Kicová et al., 2025) both find, through bibliometric and systematic review methods respectively, that research on cryptocurrency taxation has expanded rapidly in recent years but remains fragmented across jurisdictions with sharply divergent regulatory philosophies, ranging from outright prohibition to full integration into existing capital gains frameworks, leaving considerable revenue exposed in the gaps between national regimes.

The digitalization theme, therefore, reveals a genuine double edge. On one side, e-invoicing, artificial intelligence-based risk scoring, and blockchain-enabled monitoring are demonstrably narrowing long-standing compliance gaps and reducing the cost of both taxpayer compliance and administrative enforcement. On the other side, the platform economy and cryptocurrency markets that this same technological wave has enabled are generating new, highly mobile, and often cross-border forms of economic activity that current tax administration frameworks were not designed to capture, meaning that digitalization should be understood as reshaping the terrain of the revenue challenge rather than resolving it outright.

4.4. Tax Compliance, Tax Morale, and the Shadow Economy

A third major theme concerns the behavioral foundations of tax compliance, encompassing both the psychological construct of tax morale and its macroeconomic counterpart, the shadow economy. Puklavec et al. (2025), in a systematic review that explicitly seeks to unify a previously scattered conceptual literature, define tax morale as a multidimensional construct shaped jointly by institutional trust, perceived fairness of the tax system, and internalized social norms around paying one's fair share, rather than as a single stable personality trait. This reconceptualization matters because it implies that tax morale, and therefore voluntary compliance, is at least partially responsive to policy, particularly to improvements in transparency, procedural fairness, and the visible quality of public services financed by tax revenue.

Complementary evidence from country-specific compliance studies reinforces this institutional reading of compliance behavior. Adem et al. (2024), studying taxpayer behavior in Ethiopia, find that perceived fairness of the tax system and satisfaction with public service delivery are stronger predictors of voluntary compliance than the probability or severity of audit based enforcement, a pattern echoed by Perera et al. (2026) in a systematic review that identifies persistent gaps in how the determinants of voluntary compliance have been conceptualized and measured across different institutional contexts, and by Ristiyana et al. (2026), who find in the Indonesian context that administrative system quality and information technology access shape tax revenue primarily through their effect on taxpayer compliance rather than through any direct mechanical channel.

At the macroeconomic level, the shadow economy represents the aggregate consequence of weak tax morale and constrained state capacity acting together. Schneider (2022), using MIMIC modeling techniques applied to a large global sample, documents that shadow economy activity expanded sharply during the acute phase of the COVID-19 pandemic before beginning a gradual, uneven retreat as formal employment recovered, a pattern that illustrates how shocks to formal economic activity can rapidly translate into lost tax revenue through informalization. (Albayrak et al., 2026) extend this line of inquiry by showing, across a panel of OECD countries, that the relationship between shadow economy size and indirect tax revenue is asymmetric, meaning that revenue losses from an expanding informal sector are not simply mirrored by equivalent gains when the shadow economy contracts, a finding with significant implications for how quickly governments can expect indirect tax revenue to recover once informality begins to decline.

Considered jointly, this cluster of studies makes clear that compliance and informality cannot be treated as purely enforcement problems to be solved through stricter penalties or more intensive auditing. Tax morale research consistently points toward trust, fairness, and service quality as the deeper levers of voluntary compliance, while shadow economy research shows that once economic activity is pushed into informality by a shock or by weak institutional trust, the resulting revenue losses can be slow and uneven to reverse, reinforcing the case for a compliance strategy that combines credible enforcement with visible investment in institutional trustworthiness.

4.5. Global Tax Governance: Profit Shifting, the Digital Economy, and the Crypto Frontier

A fourth theme shifts the unit of analysis from the domestic tax administration to the international tax system within which every national authority now operates. Multinational profit shifting remains one of the most consequential channels of revenue loss identified in the literature, particularly for developing countries whose narrower tax bases and limited transfer pricing enforcement capacity leave them disproportionately exposed relative to advanced economies with more sophisticated anti-avoidance regimes. This structural vulnerability has motivated the coordinated international response embodied in the OECD-led base erosion and profit shifting project and its successor global minimum tax framework, reforms whose credibility depends heavily on whether developing countries are genuinely able to participate in, rather than merely comply with, rules designed largely by and for advanced economy tax administrations.

The taxation of digital and platform-based economic activity compounds this governance challenge. Mol and Molho (2024) show that platform users respond quickly and negatively, in terms of stated future engagement, to newly imposed tax reporting obligations, underscoring how fragile compliance can be in markets where switching platforms or reverting to informal transaction channels remains relatively easy. The rise of cryptocurrency adds a further, still less-settled layer to this governance problem. (Lazea et al., 2025; Kicová et al., 2025) converge on the conclusion that while research output on cryptocurrency taxation has grown substantially, regulatory and administrative practice has not kept pace, leaving pseudonymous, cross border digital asset transactions as one of the more porous segments of the modern tax base, particularly in jurisdictions that lack the technical capacity to trace blockchain based transactions or to compel exchange level reporting.

What unites profit shifting, platform taxation, and cryptocurrency within this theme is their shared reliance on mobility and jurisdictional arbitrage. Capital, digital services, and crypto assets can all be relocated, restructured, or transacted across borders far more easily than labor income or immovable property, meaning that unilateral national reform, however well designed, is structurally limited in its ability to close these revenue gaps. The literature in this theme, therefore converges on a shared policy implication distinct from the largely domestic focus of the structural and behavioral themes discussed earlier, namely that sustained progress on global tax governance challenges depends on multilateral coordination, information exchange, and capacity building support that allow developing countries to participate as genuine partners in, rather than passive recipients of, international tax rule-making.

It is also worth noting how unevenly the benefits of international tax reform have historically been distributed. Earlier waves of international tax cooperation, including early transfer pricing guidelines and information exchange agreements, were frequently criticized in the literature for being designed around the administrative capacity and revenue priorities of advanced economies, leaving developing countries able to sign onto new rules without necessarily possessing the technical infrastructure required to enforce them effectively. The more recent generation of reforms, including the global minimum tax framework, has placed greater explicit emphasis on capacity building and phased implementation timelines for lower-income countries, though the studies reviewed in this theme suggest that the practical revenue impact of these provisions for developing countries remains an open and actively contested empirical question rather than a settled matter.

4.6. Institutional Quality, Governance, and Corruption

A fifth theme returns attention to the quality of domestic institutions, examining how governance and corruption mediate the translation of economic potential into actual collected revenue. Adedeji et al. (2026), using micro-level data from across Africa, find that governance quality exerts a measurable independent effect on tax revenue mobilization even after controlling for conventional macroeconomic determinants, suggesting that institutional reform is not merely a background condition for revenue mobilization but an active policy lever in its own right. Nikiema and Zore (2024) extend this institutional lens to the volatility, rather than merely the level, of tax revenue, showing across a panel of Sub-Saharan African countries that stronger institutional quality is associated with more stable and predictable revenue streams, a dimension of fiscal performance that matters greatly for governments attempting to plan multi-year public investment programs.

Corruption receives particularly detailed treatment in this theme. (Nguyen et al., 2026) found that the negative effect of corruption on tax revenue is not uniform but is instead moderated by the administrative burden of tax compliance, meaning that corruption does the greatest damage to revenue collection precisely where compliance procedures are already most cumbersome, a finding that points toward simplification of compliance procedures as a complementary anti-corruption strategy rather than a purely administrative convenience. Bati (2025), examining institutional and macroeconomic determinants of tax revenue jointly across Sub-Saharan Africa, similarly finds that institutional variables explain a substantial share of cross-country variation in tax effort that purely macroeconomic models leave unexplained, reinforcing the consensus across this theme that governance quality functions as a necessary complement to, rather than a substitute for, the structural and technological reforms discussed in earlier sections.

Collectively, the institutional quality literature suggests that revenue mobilization reforms focused narrowly on tax policy design or digital infrastructure are unlikely to achieve their full potential where governance remains weak, and corruption remains pervasive, since both directly undermine taxpayer trust in the fairness and legitimacy of the tax system that the tax morale literature identifies as central to voluntary compliance, drawing an explicit thread between this theme and the compliance behavior theme discussed earlier in this synthesis.

4.7. External Shocks: The COVID-19 Pandemic and the Global Energy Transition

A sixth and final theme examines how external shocks interact with the structural and institutional vulnerabilities identified elsewhere in the literature to produce sharp, and sometimes lasting, revenue disruptions. The COVID-19 pandemic remains the most extensively studied such shock. Țibulcă (2021), examining tax revenue across European Union member states, documents substantial but uneven contractions in tax receipts during the acute phase of the pandemic, with consumption-based taxes generally proving more volatile than income-based taxes due to their direct sensitivity to household spending and mobility restrictions. Gupta and Jalles (2021), focusing on developing countries, add an important counterpoint to a narrative of pure crisis and contraction, finding that the fiscal pressure created by the pandemic in some cases accelerated rather than delayed structural tax reform, as governments facing acute revenue shortfalls used the crisis as political cover to implement reforms that had previously stalled.

The global energy transition represents a second, longer horizon external shock with profound implications for tax revenue, particularly in economies whose fiscal systems remain heavily dependent on fossil fuel-related taxation and royalties. Atangana Ondoa and Ngobo Philibert (2026), examining a panel of developing countries, find that the relationship between energy transition and tax revenue mobilization is not simply negative, as a naive reading of declining fossil fuel revenue might suggest, but depends heavily on whether governments proactively diversify their tax base toward broader consumption and income taxation in anticipation of declining resource revenue, echoing the resource curse dynamics identified earlier in the structural determinants theme through the work of Laniran and Adeleke (2023). Where such diversification occurs early, the energy transition can be managed as a gradual fiscal adjustment, but where it is delayed, countries risk experiencing the energy transition as a sudden and destabilizing revenue shock layered on top of already fragile tax administration capacity.

Read together with the shadow economy findings of (Schneider, 2022; Albayrak et al., 2026) discussed in the compliance theme above, this final cluster of studies underscores a broader lesson that runs throughout the literature synthesized in this study, namely that tax revenue systems which lack structural diversification, institutional resilience, and digital administrative capacity are systematically more vulnerable to whatever shock arrives next, whether a global pandemic, a commodity price collapse, or the accelerating transition away from fossil fuels, than systems that have already invested in the broader base and stronger institutions that the earlier themes in this synthesis identify as the foundation of sustainable revenue mobilization.

A final observation from this theme concerns the political economy of timing. Several of the studies reviewed here note that governments are often most willing to undertake structurally difficult tax reforms during, rather than before, a crisis, precisely because a shock temporarily loosens the political constraints that ordinarily protect narrow tax bases, generous exemptions, or under-taxed sectors from reform. This pattern, visible in the accelerated reform activity documented by Gupta and Jalles (2021) during the pandemic, suggests that the same external shocks that threaten tax revenue in the short run can, if governments are prepared with well-designed reform packages in advance, become unexpected windows of opportunity for the kind of structural and institutional change that proves far harder to achieve during periods of relative fiscal calm.

5. CONCLUSION

This literature study set out to map, across thirty-one recent and predominantly Scopus and Web of Science indexed publications, why tax revenue mobilization remains such a persistent and multidimensional challenge for governments around the world, and to trace how that challenge is evolving under the pressure of digitalization, the platform and crypto economy, and a succession of external shocks. Several integrative conclusions emerge from this synthesis.

First, tax revenue performance is never reducible to a single cause. Structural characteristics such as trade openness, the composition of the tax base, and natural resource dependence interact with institutional factors such as governance quality and corruption, and with behavioral factors such as tax morale and perceived fairness, to jointly determine how much of a country's economic potential is actually translated into collected revenue. Reform strategies that target only one of these dimensions, whether a new tax instrument, a digital filing platform, or an anti-corruption campaign, are unlikely to achieve durable gains without complementary progress on the others.

Second, digitalization is best understood as a double-edged transformation of the tax revenue landscape rather than a straightforward solution to it. E-invoicing, artificial intelligence-based risk analytics, and blockchain-enabled monitoring are demonstrably narrowing long-standing compliance gaps in the jurisdictions that have invested in them, yet the same technological wave has produced the platform economy and the cryptocurrency markets that existing tax frameworks were not designed to capture, meaning that digital transformation continuously reshapes the frontier of the revenue challenge even as it helps close older gaps.

Third, international coordination is indispensable for addressing the most mobile and jurisdictionally elusive components of the modern tax base, from multinational profit shifting to cross-border cryptocurrency transactions. Unilateral national reform, however well designed, cannot fully resolve challenges whose underlying activity can simply relocate to a more permissive jurisdiction, which is why the credibility and inclusiveness of multilateral tax governance initiatives matters, as much for developing country revenue mobilization as any domestic reform.

Fourth, external shocks such as the COVID-19 pandemic and the ongoing global energy transition do not create revenue vulnerability so much as reveal and amplify vulnerabilities that already exist within a country's tax system. Economies with diversified tax bases, resilient institutions, and mature digital administrative infrastructure appear consistently better positioned to absorb such shocks than those that enter a crisis already dependent on a narrow set of revenue sources.

As with any literature study, these conclusions should be read alongside certain limitations. The sample of thirty-one studies, while deliberately weighted toward recent, high-quality, Scopus and Web of Science-indexed scholarship, cannot capture the full universe of relevant national and regional research, particularly work published in languages other than English or in journals not yet indexed in the major international databases. The thematic synthesis method used here, moreover, is inherently interpretive rather than statistical, and different reviewers organizing the same underlying literature might reasonably group certain studies under different or additional themes. These limitations do not undermine the central conclusions of this study, but they do suggest that future reviews would benefit from periodic updating as this fast-moving literature, particularly its digital, platform, and cryptocurrency taxation strands, continues to expand.

Recommendations

Based on these conclusions, five recommendations follow for the stakeholders engaged with tax revenue policy and research. Governments and tax administrations are advised to pursue digitalization and institutional reform as complementary rather than substitute strategies, recognizing that e-invoicing, artificial intelligence-based compliance tools, and administrative digitization deliver their fullest benefit only when paired with credible governance, transparent public spending, and visible efforts to strengthen taxpayer trust.

Tax authorities in developing and resource-dependent economies are advised to begin diversifying their tax base well ahead of anticipated declines in resource or trade-related revenue, using the gradual and foreseeable nature of the global energy transition as an opportunity for planned fiscal adjustment rather than waiting to experience it as a sudden revenue shock.

Policymakers responsible for platform, gig, and cryptocurrency taxation are advised to invest deliberately in clear communication and phased implementation when introducing new reporting obligations, since the evidence reviewed in this study indicates that poorly sequenced or poorly explained rules can drive compliant activity toward informality rather than into the formal tax net.

International institutions and development partners are advised to prioritize capacity-building support that allows developing countries to participate as genuine partners in global tax governance negotiations, including base erosion and profit shifting reforms and emerging frameworks for taxing digital and crypto assets, rather than treating these countries solely as recipients of rules negotiated elsewhere.

Finally, researchers are encouraged to pursue more integrative, cross disciplinary studies that combine the structural, institutional, technological, and behavioral strands of this literature within single research designs, and to extend empirical attention toward longitudinal and comparative studies of how digitalization, platform taxation, and cryptocurrency regulation evolve over-time, an area where the literature reviewed in this study remains comparatively thin relative to its evident policy importance.

Abbreviations

AI – Artificial Intelligence
BEPS – Base Erosion and Profit Shifting
GDP – Gross Domestic Product
ICT – Information and Communication Technology
IMF – International Monetary Fund
OECD – Organisation for Economic Co-operation and Development
SLR – Systematic Literature Review
VAT – Value Added Tax

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