

LESSONS FROM IBP'S TAX EQUITY INITIATIVES

Tax equity and transparency can boost DRMs to finance SDGs

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1 Preamble

Post-COVID: public resources are going to be increasingly scarce

1

low tax revenues

2

skyrocketing debt costs and repayments

3

covid relief, recovery, and climate change needs

4

The battle over scarce resources will be fierce – affecting the SDGs

Why do CSOs engage with taxation?

- Domestic resource mobilization as development
- A progressive, accountable, and transparent revenue system
- The Social/Fiscal Contract and addressing inequality
- Global rules, domestic consequences



2 IBP's Tax Equity Initiative

“ How much tax different individuals pay and how much they get back in public services can have an important effect on the overall distribution of income, wealth and economic and political opportunities – and determine how fair and equitable a society is.”

International Budget Partnership

Tax Equity Initiative at IBP

Produced 4 broad knowledge products:

- Latin America Tax Expenditure Research, Analysis and Learning (LATERAL Project)
- Global CSO Scan
- 7 country case studies (types of CSOs advocacy)
- Literature review on the political economy of CSOs tax work – players and processes

Tax Equity Initiative at IBP

Focus was:

- On providing support to 10 organisations in Latin America on research, capacity building and advocacy, peer learning, and linkages to regional actors and events (tax expenditure and inequality)
- An extensive scan of 171 organisations in 66 countries to understand CS approaches to tax work (what, how, where) and constraints they face in advocating for tax reforms
- Indepth case studies of successful tax reform campaigns around the globe - entry points and modalities of the work
- On understanding the players, process and how these influence the process of tax reform

IBP Resources on Tax Equity & Transparency



Global Scan of 171 CSOs in 66 Countries in all regions of the world

The database

The paper describing the field



Case study of 7 Countries – 1 Synthesis paper

Summaries of the 7 case studies

Synthesis Paper with lessons



The Politics of Tax Reform in Low and Middle-income Countries

Literature review on the political economy of CSOs tax work



The LATERAL Project (Latin America Tax Expenditure Research, Analysis and Learning)

The LATERAL Project

The Africa Tax Equity Pilot Project

Innovative engagements with governments in Nigeria and Senegal to raise more revenues to fund the SDGs through an equitable, transparent, and gender responsive approach

- Strengthen capacity, knowledge and consciousness of non-state actors to influence tax systems
- Activate agency of people most affected by unfair tax system (women groups, BMOs, farmers, etc.)
- Facilitate shift in tax policy making towards equity
- Domestic tax issues; politically-smart and context-sensitive

3 What we are learning

Lessons from IBP's work

- Historically, regular citizens and civic actors play very limited role in formulation of tax policies.
- This is changing –
 - DRM linked to funding of the SDGs
 - Efforts by INGOs in collaboration with other actors to get the rules of international taxation reformed
- Civic actors can propose and push for specific tax reforms or oppose reforms that had been introduced by the government.

Lessons from IBP's work

- The importance of narratives, messaging and media – powerful, convincing, able to galvanise stakeholders
- Deploying the right strategy – multiple strategies work best
- Building effective coalitions with allies
- Learning and building capacity – technical capacity, political capacity, communications capacity (to learn and adapt)
- Leveraging political opportunities – windows of opportunity

Civic Actors and Voluntary Tax Compliance

CSOs and other civic
actors can be:

- Translators (they are also experts!)
- Trainers (see above!)
- Enablers and facilitators of dialogue (they organise constituencies!)

About IBP

The International Budget Partnership is a global partnership of budget analysts, community organizers, and advocates working to advance public budget systems that work for all people, not a privileged few.

Together, we generate data, advocate for reform, and build the skills and knowledge of people so that everyone can have a voice in budget decisions that impact their lives.

Thank you.

For more information, visit
www.internationalbudget.org

