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Implementation and Imagination:
The role of taxation in achieving the Sustainable Development Goals

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Table of Contents

Urgent needs call for transformative solutions

The 2030 Agenda for Sustainable Development calls for a seismic change across all spheres of modern life and across all corners of the globe. The 17 Sustainable Development Goals (SDGs) provide a positive direction for the future, with the normative framework acting as a guideline for facilitating fundamental political, social, and economic reforms. Through targeting interventions aligned to Goals such as Zero hunger (SDG 2) and Gender equality (SDG 5), the world can place itself on a pathway to peace, prosperity, and opportunity for all; on a healthy planet that protects the rights of all people and leaves no-one behind.

Yet global efforts are failing. Urgent needs are not being met. The global extreme poverty rate is 8.2%, with 632 million people living on less than $1.90 a day. 258 million children and youth remain out of primary and secondary school, a figure that has a disproportionate impact on young girls. 785 million people cannot access basic drinking water, and 690 million are undernourished and suffering from chronic food security – a 60 million increase from 2014. Combined with an accelerating degradation of life on land and below water, a continuation of the unsustainable use of resources; systematic failure to tackle gender inequality, and insufficient action to combat climate change; "the world is not on track to achieve the SDGs by 2030."[1]

COVID-19 will further limit progress. This unprecedented health, social and economic crisis has, and will continue to have, a devastating impact on people around the world. It has highlighted existing inequities and inequalities within societies, overtly affecting those most vulnerable. The result is an untimely loss of lives and livelihoods.

The latest figures are bleak. At the time of writing, over 681,000 people have died due to COVID-19[2]; 1.2 billion learners have had their education negatively impacted by the pandemic[3], and nearly 400 million full-time jobs have been lost[4]. The number of people facing food crises is forecast to double[5], and the World Bank estimates that the global pandemic could result in 71 to 100 million people falling back into extreme poverty[6]– eradicating the progress made in reducing poverty over the past decade.

Transformative solutions are needed. The pandemic has demonstrated the collective inaction of the international community to deliver on the promises of the 2030 Agenda, and to produce change at the speed or scale required. Data-driven policy remedies that are action and results-oriented, led by innovation and ambition, are required. However, change will not be possible without more resources.

Our paper outlines the essential role that the mobilisation and effective and efficient use of public resources can have on sustainable development. Specifically, we examine the role of taxation, and suggest new, imaginative

[1] UN Department of Economic and Social Affairs, "The Sustainable Development Goals Report 2020."

[2] Worldometer, "COVID-19 Coronavirus pandemic"

[3] UNESCO, "COVID-19 – Education: From disruption to recovery"

[4] ILO, "ILO Monitor: COVID-19 and the world of work. Fifth edition"

[5] WFP, "COVID-19 will double number of people facing food crises unless swift action is taken"

[6] World Bank, "Updated estimates of the impact of COVID-19 on global poverty"

solutions that can be implemented to improve the welfare of citizens around the world, and accelerate progress towards achieving the SDGs.

Taxation and the 2030 Agenda: a key policy lever for achieving sustainable development

The contribution of domestic resources, and the role of fiscal policies such as taxation, are fundamental to delivering public services and to improving citizens' welfare. It is therefore essential that governments use taxation as a key policy lever to drive sustainable development. However, taxation is often overlooked and underused as a positive policy tool, either due to a lack of awareness, political will, and capacity in national administrations - or ideological differences.

The Addis Ababa Action Agenda attempts to address this problem. Adopted by the international community in 2015, the AAAA is a global framework that aligns financial flows and domestic resource mobilisation (DRM) policies to the 2030 Agenda.[7] It promotes sustainable development by showing the tangible commitments countries can make through fiscal policies and taxation - not only by raising revenues but also by promoting and aligning expenditure plans to the SDGs. This is because beyond taxation's traditional role of stimulating growth and collecting revenue, domestic and international taxation policies play an important role in helping to achieve social, economic and environmental goals.

Gender inequality (SDG 5) is one example. Inclusive tax systems are critical to supporting the agency of women to pursue economic prosperity, overturning systems that are often not equal and fair. This is because current tax systems do not account for women's disproportionate share of unpaid care[8], or social factors limiting their resources, mobility and financial independence[9]. Tax policies can help tackle this injustice through gender budgeting, a formalised institutional process that incorporates a gender perspective when restructuring revenues in order to promote gender equality.[10] Or by giving tax exemptions to women to accrue capital and become financially independent – either through having a higher rate of personal income tax allowance than men, or giving exemptions when registering land ownership, as is the case in Nepal[11].

By restructuring the tax system, countries can also take substantive climate action (SDG 13), and protect life below water and on land (SDGs 14 and 15), whilst benefitting from positive spillover effects on other SDG targets. With climate change and its effects accelerating[12], countries urgently need to proceed with policy solutions that mitigate the most harmful effects and prevent further damage. It is imperative to stop humanity from coming "dangerously close"[13] to causing irreversible changes to the environment and exceeding our planetary boundaries. Urgent measures such as the successful implementation of carbon taxes in Sweden since 1991, have resulted in an 11% decrease in CO_2 emissions on public transport,[14] and in conjunction with tax policies that

[7] United Nations, "Addis Ababa Action Agenda of the Third International Conference on Financing for Development

[8] UN Women, "Redistribute unpaid work"

[9] Oxfam, "A short guide to taxing for gender equality"

[10] Council of Europe, "Gender budgeting: practical implementation handbook"

[11] International Organization for Migration, "Securing Women's Land and Property Rights in Nepal"

[12] UNFCCC, "Climate action and support trends"

[13] Nature, "Climate tipping points – too risky to bet against"

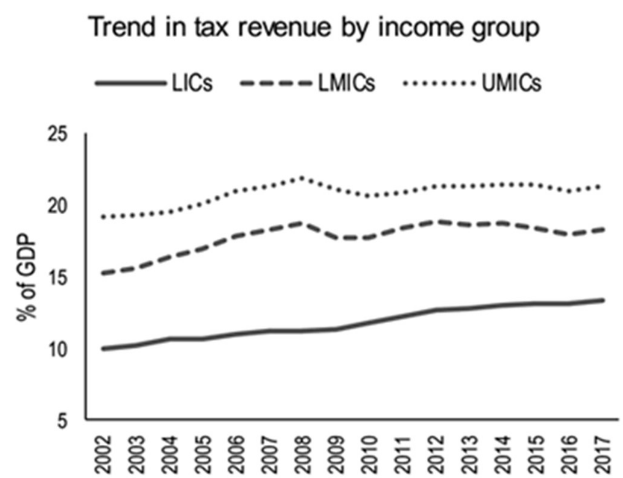
[14] Andersson, J., "Carbon Taxes and CO2 Emissions: Sweden as a Case Study"

subsidise green technologies and environmentally-safe practices, evidence shows that pricing instruments such as taxes are cost-effective compared against other policy instruments.[15] Taxation policies can also be used to encourage healthy lives and well-being (SDG 3) through taxing unhealthy goods, or through promoting sustainable cities and communities (SDG 11) by incentivising the building of affordable housing.

Therefore, efficient and effective taxation systems can have a transformational effect. Astutely designed domestic resource mobilisation strategies, with innovative taxation policies, do more than just provide higher tax revenues and tax-to-GDP ratios to improve a country's financial position – but can also guarantee inclusive and sustainable development.

Yet there remains a lack of implementation of taxation policies aligned to the principles and targets of the SDGs. This is especially the case within developing countries, who are plagued with a number of challenges across the political, social and economic spheres, that all hinder their capacity to raise tax revenues. As a result, they have an average tax-to-GDP ratio of 15%, with lower-income countries averaging a tax-to-GDP ratio of 13%. In comparison, a selection of developed countries, such as OECD members, have a tax-to-GDP ratio of around 35%.[16]

Figure 1. Tax revenue by income group for lower- to middle- income countries



Note: The left panel shows unweighted average tax-to-GDP ratios for 113 countries (i.e. balanced panel). World Bank classification for income groups is used. In the right panel, the largest sample possible for ODA-eligible countries was used for each year. Based on research for the Global Outlook on Financing for Sustainable Development (forthcoming[1]).
Source: OECD, "The impact of the coronavirus (COVID-19) crisis on development finance", OECD Policy Brief 2020

The tax challenges faced by less developed economies are a result of economic factors, such as large informal sectors, and a high reliance on aid that hampers any incentive to invest in tax collection.[17] Weak administrative capacities and political factors also ensure that those in power pass laws that benefit

[15] OECD, "Towards Green Growth? Tracking progress"

[16] World Bank, "Tax-to-GDP."

[17] Besley, T and Persson, T, "Why do Developing Countries Tax so Little."

themselves the most.[18] [19] In addition, these countries are often on the end of harmful tax practices and treaty abuse through base erosion and profit shifting, resulting in an estimated annual revenue loss of at least USD 100 – 240 billion.[20] All of the aforementioned facts counter any positive strides towards the 2030 Agenda, violate efforts to counter illicit financial flows (SDG 16.4) and to strengthen domestic resource mobilisation (SDG 17.1).

Some positive changes have been made. International initiatives such as the Addis Tax Initiative (ATI) and Platform for Collaboration on Tax (PCT), in addition to the joint OECD-UN Tax Inspectors without Borders Program, which has supported 43 developing countries to increase tax revenues by over USD$ 532 million, have increased public revenues in developing countries.[21] This is due to the provision of technical assistance, capacity building and knowledge dissemination, all funded by rising official development assistance (ODA) on DRM activities, which reached USD$ 417 million in 2018.[22]

Despite these successes, the sustainability and long-term impact of these initiatives is questionable, due to the inability of the state to efficiently allocate their domestic resources and align their policies with the principles and targets of the SDGs. This implies that outside of the traditional DRM strategies and large amounts of ODA, other social and cultural factors – such as tax morale - may be hampering efforts to increase DRM in developing countries.

In other contexts, where implementation factors are not as profound, there are other barriers to change. In developed countries, efforts to align taxation to the goals and principles of the 2030 Agenda are not so much a problem of the public purse but rather political will and imagination.

This is evident in efforts aligned to Reducing inequality (SDG 10). In developed countries, growth has disproportionately benefited higher income groups, resulting in median and lower incomes growing more slowly than top incomes and a rise in the Gini co-efficient (a measure of income inequality). This is seen in countries such as the United Kingdom, Luxembourg and Romania[23] is due in some cases to the induction of more regressive tax systems.

Leaving no one behind, a core principle of the 2030 Agenda, implies that everyone should benefit from economic growth. Yet alongside income inequality, policy choices in developed countries are failing to provide Decent work (SDG 8). This Goal calls on countries to promote inclusive and sustainable growth through the creation of full and productive employment. However, in failing to prepare and react to economic trends such as globalisation, digitalisation and climate change, workers in the developed world have witnessed an increased threat of job insecurity, lack of investment in training programmes and a decline in the power of labour unions.

This is supported by latest figures showing the increase in non-standard work and fall in active labour market programme spending in OECD countries,[24] and recent studies highlighting that growing wage dispersion in developed

[18] Djankov, S., La Porta, R., Lopez-De-Silanes, F. and Shleifer, A. "The Regulation of Entry."

[19] Fjeldstad, O. and Rakner, L, "Taxation and Tax Reforms in Developing Countries: Illustrations from Sub-Saharan Africa."

[20] OECD, "What is BEPS?"

[21] OECD and UNDP, "Tax Inspectors Without Borders Annual Report 2018 – 2019"

[22] OECD, "Aid (ODA) disbursements to countries and regions [DAC2a]".

[23] OECD, "Income Distribution database".

[24] OECD, "Society at a glance 2019"

economies is explained by an increase in wages between firms, rather than within them.[25] This results in a greater sorting of productive versus non-productive labour, creating detrimental societal and economic impacts. One of these is a decline in the productivity frontier, which has potentially serious harmful impacts on future economic and productivity growth.[26] Greater political imagination to counter these negative trends is needed.

Therefore, to achieve the SDGs, countries need to place a greater focus on increasing domestic revenues and aligning fiscal policies such as taxation, with the 2030 Agenda. In addition, an increased implementation of imaginative, innovative policies is needed to increase tax revenues.

[25] OECD, "Policy Coherence for Sustainable Development 2019"

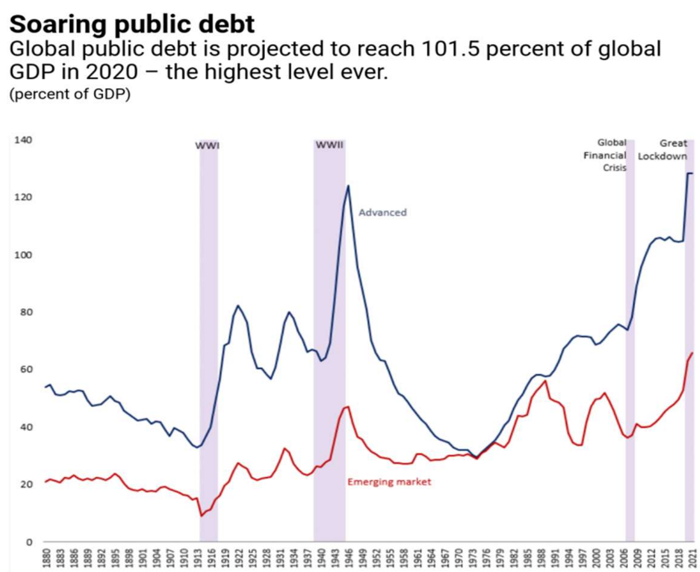
[26] OECD, "Opportunities for All: A Framework for Policy Action on Inclusive Growth"

The opportunity for change

Since we initially had the idea for this paper, the world has changed. In plotting an economic reaction to COVID-19, sweeping global consensus was reached on the need for Keynesian fiscal stimulus, with central banks and economic policymakers adopting a ‘whatever it takes’ approach to minimise the damage of the virus on the global economy.

Economic arsenals have been unleashed, with trade, fiscal, industry, regulatory, social insurance, and monetary tools all being enacted. The fiscal show of force has been represented via income and social security subsides, tax deferrals, debt repayment holidays and state bailouts to businesses. This has resulted in global public debt being projected to reach its highest ever level of 101.5%, and an unprecedented $11 trillion being mobilised to combat the economic effects of the pandemic.[27]

Figure 2. Global public debt continues to rise as governments respond to the COVID-19 pandemic



Source: IMF, “Fiscal Policies for a Transformed World”, IMF Blog 10 July 2020

Yet, the question of which countries will recover quickly, and how such a recovery will take place, is unclear. In many cases, national economies were already in a poor position prior to the pandemic, with substantial financial gaps hindering their SDG progress.

For developing countries, especially low-income developing countries (LICs), UNCTAD estimated that an extra US$2.5 trillion was needed to reach their targets.[28] Now the financing gap is expected to double in size.[29] Developed

27 IMF, “Fiscal Policies for a Transformed World”

28 UNCTAD, “Developing countries face $2.5 trillion annual investment gap in key sustainable development sectors, UNCTAD report estimates”

29 OECD, “The impact of the coronavirus (COVID-19) crisis on development finance”

countries were also complicit in failing to provide the levels of domestic and external resource mobilisation needed,[30] with the UN Secretary-General Antonio Guterres lamenting their lack of funding to cause a USD$ 2.5 trillion funding shortfall. This is likely to increase due to the virus.

Therefore, as governments continue to manage the unfolding events of the crisis, they need to think about the recovery – and how to use fiscal policy to ‘build back better’ and achieve robust, sustainable and inclusive growth.

This means implementing policies to tackle rising inequalities, poverty, unemployment and environmental damage. It means improving structural weaknesses and championing efforts for labour market reforms to combat digitalisation and climate-change. It means using fiscal policy to push for innovation, to create greener cities and communities, with healthy environmental standards and access to healthcare and education.

Implementing and imagining innovative taxation policies aligned to the SDGs, are key to reaching these goals. Inadvertently, and at a terrible cost, it can be seen that COVID-19 has created an exceptional opportunity for reform; and governments should take this profound moment to push for structural, transformative solutions. In the following pages, we outline two policies that can support this aim and the 2030 Agenda.

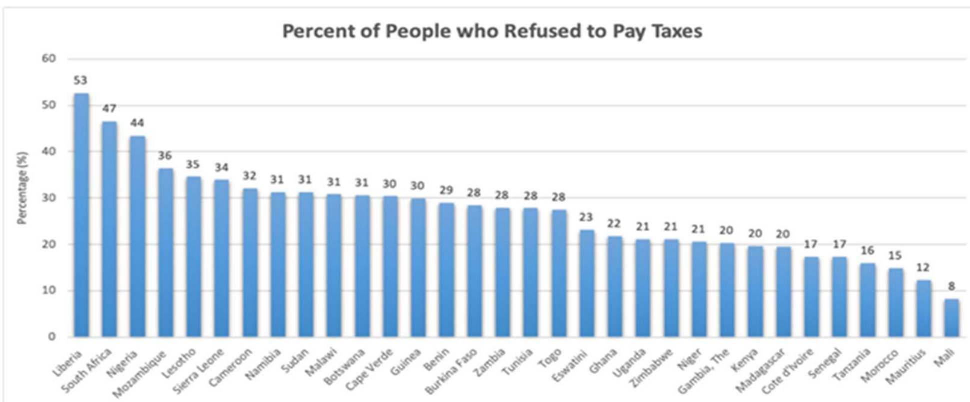
[30] United Nations, “Citing $2.5 Trillion Annual Financing Gap during SDG Business Forum Event, Deputy Secretary-General Says Poverty Falling Too Slowly”

Solution 1: Improve tax morale

Tax morale can be defined as the intrinsic willingness to pay tax. In developing countries, taxation is associated with negative perceptions and feelings of unfairness and discontent, which stifles tax compliance levels and hinders the tax collection efforts of governments.[31]

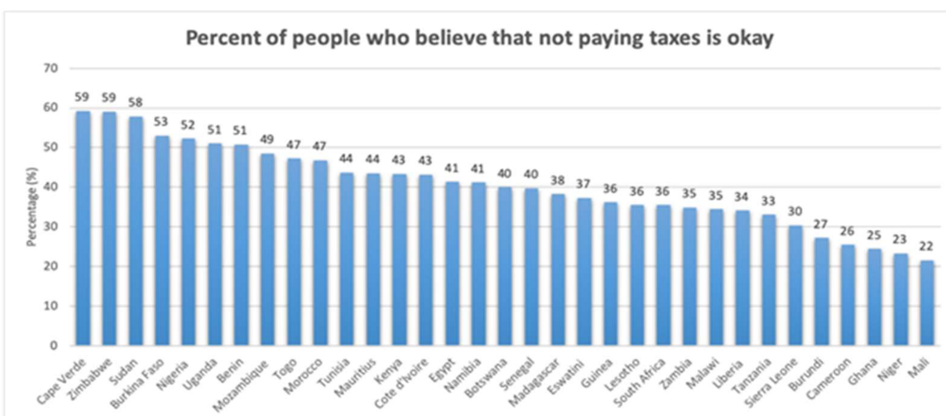
The lowest level of tax morale is found to be in the African region, where almost 50% of the population justify cheating on their taxes, compared to 30% in OECD and Latin American countries.[32] As an example, according to the statistics gathered by the Afrobarometer, 53% of people surveyed in Liberia refuse to pay taxes in Liberia and 59% of people surveyed in Zimbabwe believe that not paying taxes is fine, as seen in the Figures below.[33]

Figure 3. Illustration of Tax Morale in Africa (I)



Source: *Self-computed, based on Afrobarometer surveys.*

Figure 4. Illustration of Tax Morale in Africa (II)



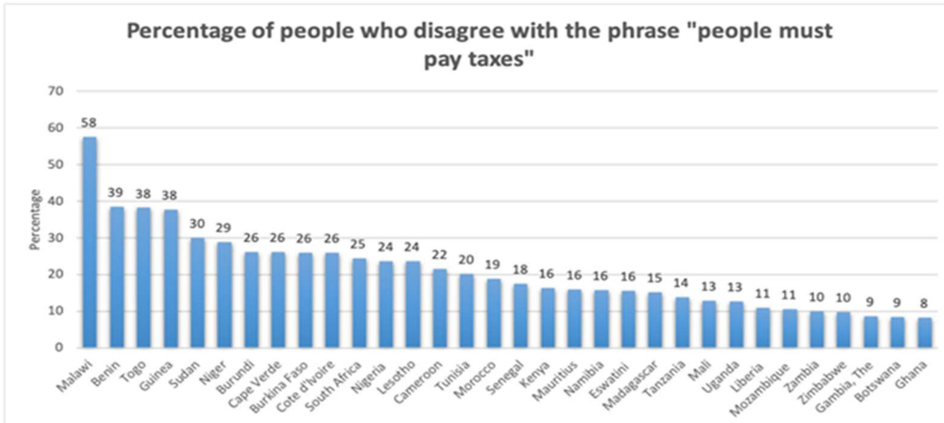
Source: *Self-computed, based on Afrobarometer surveys.*

[31] OECD, "Tax Morale - What Drives People and Businesses to Pay Tax?".

[32] Ibid.

[33] Afrobarometer, "Taxation Surveys".

Figure 5. Illustration of Tax Morale in Africa (III)



Source: Self-computed, based on Afrobarometer surveys.

A number of studies have aimed to explain such a phenomenon and its link to tax revenue performance. Besley (2014) [34] finds that the low levels of tax morale are due to a lack of sense of national identity as well as a perception of the tax system as being unfair, while Ali, Fjeldstad and Sjursen (2014)[35] and Cummings et al. (2009)[36], find that countries with better institutions tend to have higher tax morale. Furthermore, tax morale tends to be higher in countries where citizens have greater trust in government, and the OECD (2019)[37] has identified the perceived quality and legitimacy of the tax administration, and the institutions that govern it, are key determinants of tax morale.

Another identifier of the levels of tax morale is linked to public service satisfaction, where tax morale levels are higher when citizens are more satisfied with public services. This particular concept, known as “fiscal contract” is defined as a non-explicit agreement between parties in a society where governments provide public services and protection to their citizens in exchange for taxes collected. Furthermore, a perception of the tax system as being overly complex further lowers the levels of tax morale and increases the costs of compliance.[38]

Tax morale also tends to have a domino effect where its impacts go beyond affecting individual citizens’ perceptions of taxation, feeding into those of businesses. Income taxes (personal and corporate) that are imposed on businesses form a huge part of the tax base in both developed and developing countries. For instance, in 2017, OECD countries collected on average 34% of their tax revenues from taxes on income and profits,[39] while in Africa, such taxes formed 36.2% of total tax revenues.[40] However, findings from the OECD (2019)[41] show that multinational enterprises (MNEs) and businesses are also subject to

[34] Besley, T and Persson, T, “Why do Developing Countries Tax so Little.”

[35] Ali, M., Fjeldstad, O. and Sjursen, I. “To Pay or Not to Pay? Citizens’ Attitudes Toward Taxation.”

[36] Cummings, G., Martinez-Vazquez, J., McKee, M., and Torgler, B. “Tax morale affects tax compliance: Evidence from surveys and an artefactual field experiment.”

[37] OECD, “Tax Morale - What Drives People and Businesses to Pay Tax?.”

[38] Ibid.

[39] OECD, “Revenue Statistics 2019 – Tax Revenue Trends in the OECD.”

[40] OECD, “Revenue Statistics in Africa 1990 - 2017.”

[41] OECD, “Tax Morale - What Drives People and Businesses to Pay Tax?”

having low levels of tax morale when the economy is unstable, unregulated and tax certainty is low. In addition, a general perception of public discontent in a particular country draws an image of government weakness for MNEs, which encourages them to try to secure exemptions or receive incentives, and hence, adversely affects the amount of tax collected by governments.[42] For instance, the figures for Africa show that almost 60% of firms do not declare all their sales in order to reduce tax payment, compared to less than 46% of formal firms outside Africa.[43] This tends to result in MNEs being seen as not paying their fair share of taxes, which negatively influences individual tax morale, further contributing to the lower levels of tax compliance by individuals.[44]

As a result, a combination of low satisfaction with public services along with a lack of confidence that the state collects taxes in a fair and efficient manner, or uses the revenue to benefit most citizens, creates a sense of weak civic culture. This contributes to the low levels of tax morality, which, in turn paves the way for less compliance and low levels of tax collection by tax authorities.

Such a weak "taxpaying culture" can be seen as one of the largest obstacles to building a sustainable long-term tax base, which can be used for achieving the targets of the SDGs. Hence, despite the efforts of international organisations and developed countries to enhance the domestic revenues in developing countries by providing technical assistance for tax reform programmes, it remains difficult for governments to benefit, as compliance levels are still low due to social factors such as tax morale. Therefore, there is a dire need for expanding the scope of tax policy to be more imaginative and innovative. By including tax morale in the dialogue on domestic revenue enhancement policies, both developed and developing countries can achieve better domestic revenue results that are aligned to the SDGs.

Enhancing tax morale requires a strategy that aims to foster a culture of compliance and civic responsibility by engaging and educating citizens:

- First and foremost, **a simplified tax system with clear guidelines** should be in place in order to decrease the costs of compliance for taxpayers as tax morale is more often than not, also impacted by the perception of the system as being overly complex. Taxpayer services should also be available in the form of information, pamphlets, payment facilities and telephone lines in order to improve the ease of paying taxes. For example, in Zambia, a weekly radio programme called tax chats encourages people who have questions on how and when to pay their taxes to tune in and have their questions answered.[45]
- **Incorporating taxpayer education programmes** into school and university curriculums should become a main policy consideration, with the objective being to educate the next generation of citizens on the importance of taxation while emphasising the social value of tax and its link to public expenditure. Taxpayer education programmes could also be incorporated in activities that appeal to different personalities such as theatre, television and video games, making the programme an entertaining experience. In addition, by providing a focus on the perception of taxation as a "common good", civic culture and collective responsibility would also be strengthened.

[42] Ibid.

[43] Ibid.

[44] Ibid.

[45] OECD. "Building Tax Culture, Compliance and Citizenship."

- **Awareness campaigns on the link between taxation and public service provision** would also allow for better communication and transparency between citizens and governments, which would further boost tax morale. This can also be done in a more creative manner by having annual tax days or organising events centring on taxation. For instance, Rwanda has an annual tax day where the president awards the countries best taxpayers. Such initiative requires little effort to plan but enhance the perception of taxation in developing countries.[46]
- **Technology could also be utilised through having a mobile application** that includes all information on the tax system of the country, including when and how to file taxes through articles and descriptive videos. The application could also send nudges in the form of notifications reminding taxpayers to pay their taxes when payments are due, while also providing them with a comparison of the percentage of people who have paid their taxes before a deadline, with the purpose of implying a sense of responsibility amongst taxpayers.

[46] Ibid.

Solution 2: Align economic development strategies to the SDGs

Traditional economic development strategies are failing. Government efforts to create 'action plans' or 'roadmaps' that invigorate growth in certain sectors of the economy or geographical locations are well-intentioned – but do not deliver results. This is because policymakers have been unable to see the need to overhaul the conventional welfare state-consumption led demand model, and were blindsided by the seismic shifts of globalisation, climate change, digitalisation, in addition to the fallout from the long-term decline in returns for labour.

Archaic policy solutions have been routinely prescribed to fix these reoccurring problems. None have worked. These include using monetary policy to benefit holders of financial assets, at a cost to investors in real assets such as factories and land; solving growing inequality by prescribing tax redistribution, which only "accepts the productive structure as given, [ameliorating'] the results through handouts"[47]; and rewarding short-term shareholder primacy[48] over long-term stakeholder investment. The collective failure of these remedies has led to people around the world feeling that their economies 'doesn't work for people like me'.

COVID-19 has only reinforced this sentiment. For those already feeling 'left-behind', job insecure, and receiving miserly wage growth, witnessing MNEs post rising profits[49], and the stock market reach record highs[50], accelerates their sense of dissatisfaction and despair.

The Sustainable Development Goals provide a guideline for transformation. Its principles of universality and shared responsibility mean that all members of society must ensure that in future economic development strategies, no one is left behind. By providing a holistic approach to economic activity that includes the effects on the environment (SDGs 13, 14, 15) and social factors (SDGs 1, 2, 5, and 16), the SDGs can complement policymaker's expertise and experience to deliver prosperity for all.

Policy solutions are also needed that are imaginative, and can help bring positive economic change. Examples include:

- **Creating 2030 Accelerator Zones.** Aligned to SDG Indicator 11.A, the creation of 2030 Accelerator Zones is a form of place-based development strategy, focused upon improving the economic competitiveness of disadvantaged cities and towns. This is done through incentivising private sector investment via tax credits, but with a focus on scaling up local and small-to-medium enterprises and not necessary MNEs or large firms – who often provide limited benefit to the area. To receive the tax credits, firms must meet compulsory SDG criteria such as ensuring decent work and meeting environmental standards, alongside focusing primarily on from the local labour force. Learning from successful,

[47] Rodrik, D. and Sabel, C., "Building a Good Jobs Economy"

[48] Sen. Rubio, M, "American Investment in the 21st Century: Project for strong labour markets and national development"

[49] Le Parisien, "Amazon, Google, Facebook… les Gafa, grands gagnants du confinement"

[50] CNN Business, "Nasdaq hits record high"

active labour market programmes[51], the criteria and offerings within the Accelerator Zones can be tailored to the individual economic needs of each Zone. This prevents isomorphic mimicry, and creates a better chance of delivering success.

- **Launching national lifelong learning programmes**: Increased promotion of lifelong learning, and the creation of Lifelong Individual Training Accounts (LITA's) for every citizen, is the appropriate labour-market paradigm to suit the workings of the modern economy. LITA's would be individual accounts that are available to all workers, who could use them at any time to pursue further educational and skills development. They would belong solely to the workers (meaning they are transferable across employment positions) with the enrolment course of choice being at the discretion of the worker – within a pedagogy defined by both national and local labour market needs. Digital technologies can make LITA's accessible to all, with personal development pathways designed to provide workers with a view of the positive consequences of their efforts. This can be especially beneficial if accompanied by skill recognition frameworks, created by the government and the private sector, that provide targeted support in nascent industries or for vulnerable groups. The benefits of creating LITA's include substantially improving flexibility within the labour market and improving the educational level of the workforce (satisfying SDG 4.4) through the creation of strong incentives and improved opportunities – which generates a high rate of return for the worker, the private sector and the economy. Firms can also benefit through receiving tax credits if they invest in extra worker training via LITA's, with additional benefits, occurring if their workers obtain accredited qualifications over a three year period. Future economic and social success relies upon such bold labour market programmes. As New York Times columnist, Thomas Friedman states, for workers to achieve prosperity in the future, "you will have to be a lifelong learner."[52]
- **Implementing temporary 'Coronataxes'**: No policymaker becomes popular implementing new taxes. Yet with countries increasing their debt levels substantially, new taxes are a necessity. By labelling the taxes as 'Coronataxes', and transparently publicising via social media, newspapers and news broadcasters where the revenues will go, policymakers can be courageous and answer concerns over the level of national debt. Implemented at the national level to emphases their non-discriminatory nature, Coronataxes could include a temporary raise in overall taxes for a five-year period, or value added taxes across all goods upon which they are charged. In addition, Coronataxes can be supported by the public if they are targeted at those who have not been "all in it together" during the crisis. A good example is the imposition of a high Coronatax on companies that received taxpayer bailout funds or supportive subsidies - whilst being based offshore, or who have not paid their full domestic tax liabilities. Whilst not an ideal solution, Coronataxes would be a positive step in answering anxieties over the level of government spending, addressing tax injustice, and promoting a sense of universality in recovering from COVID-19.
- **Incentivising economic activity that prioritises long-term benefits over short-term gains**: Governments can issue higher capital gains taxes and levies on dividend payments to shareholders on companies, in addition to legislating for more worker representation on corporate boards and tax reductions on long-term investments. Whilst also a cultural factor, stakeholders from across society

[51] Rodrik, D. and Sabel, C., "Building a Good Jobs Economy"

[52] Friedman, Thomas. "Owning Your Own Future."

need to work together to reward and increase investment, to avoid overzealous capital accumulation and reduce the growth in income and wealth inequality that has taken place over the previous decade.

Seizing the chance for reform

Beginning the SDG Decade of Action, the global socio-economic context has evolved due to COVID-19, presenting a rare chance for reform. A sense of urgency is needed to seize this opportunity, and to make profound, transformative change, including enacting policies that are aligned to the 2030 Agenda and that deliver prosperity for all people, and progress across all 17 SDGs.

We cannot return to ‘business as usual’. Improving domestic resource mobilisation, and increasing the use of taxation as a policy lever, is central to building back better and to providing a positive pathway for the future. By implementing tax policies to improve tax morale, and using taxation to align economic development strategies to the SDGs, countries can achieve greater results and create more inclusive, robust, and equitable societies – ensuring that no-one is left behind.

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