

Social Inequality: How Governments' Tax Policies Impede SDG Achievement.

By Ninah Marjorie Nakiyimba

Being Beyond Better Coaching Limited, 3B ESG Ltd, Stanbic Bank Uganda Limited

+256780509585, ninahmarjorie5@gmail.com, Kampala, Uganda. September 2023.

Introduction

Sustainable development, a crucial global endeavour, seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs.¹ The Sustainable Development Goals² (SDGs) serve as a comprehensive blueprint, comprising 17 interconnected goals, to address pressing challenges ranging from poverty eradication and hunger to environmental preservation and social equity. The achievement of the SDGs requires the collective efforts of governments, organizations, and individuals. Activist Malala Yousafzai asserted, "We cannot all succeed when half of us are held back."³ One critical aspect that often goes unnoticed is the role of taxation and its impact on the allocation of resources for public services. The successful realization of these goals hinges upon efficient tax systems that mobilize resources for public services, which play a pivotal role in driving progress towards the SDGs.

This paper explores the correlation between governments' tax policies, social inequality, and the hindered achievement of the SDGs. It highlights the adverse effects of corruption, regressive taxation, and misallocation of funds on public service provision and underscores the significance of progressive taxation, transparency, accountability, and international cooperation in advancing sustainable development efforts. By prioritizing tax allocations to public services, promoting inclusive policies, and engaging civil society, countries can create a more equitable and just world, aligning with the overarching objectives of the SDGs.

The Nexus: Taxation, Social Inequality, and SDGs

The Importance of Tax Allocation to Public Services

The allocation of taxes to public services is of paramount importance as it ensures the provision of essential infrastructure, healthcare, education, and social welfare programs. President Franklin D. Roosevelt once remarked, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."⁴ In Scotland, tax allocation to public services has resulted in accessible healthcare through the National Health Service (NHS) and high-quality education through well-funded schools and universities.⁵ This investment has contributed to a higher standard of living and greater social mobility. Conversely, in Uganda, inadequate tax allocation to public services has resulted in underfunded healthcare facilities, limited access to education, and inadequate social welfare programs, exacerbating poverty and hindering sustainable development.⁶ Proper tax allocation therefore plays a big role in shaping the quality of public services and the overall well-being of citizens.

Social Inequality as a Barrier to SDG Achievement

Social inequality, characterized by disparities in income, education, and access to resources, poses significant challenges to the achievement of the SDGs. In Sweden⁷, where tax allocations to public services prioritize social welfare, the low level of social inequality contributes to higher educational attainment, better healthcare outcomes, and reduced poverty rates, aligning with SDG targets such as quality education⁸, good health and well-

¹ United Nations Brundtland Commission (World Commission on Environment and Development), Our Common Future, From One Earth to One World, 1987, par.27

² The 17 Sustainable Development Goals, <https://sdgs.un.org/goals>

³ Malala Yousafzai, a Pakistani activist, student, UN messenger of peace and the youngest Nobel Laureate, UN Speech, 2013, <https://malala.org/newsroom/malala-un-speech>

⁴ Franklin D. Roosevelt, 32nd President of the United States, Inaugural Presidential address, Jan. 20, 1937, <https://www.presidency.ucsb.edu/documents/inaugural-address-7>

⁵ William Savedoff, Tax Based financing for Health Systems: Options and experiences, 2004, pg. 9

⁶ Budget Monitoring and Accountability Unit: Ministry of Finance, Planning and economic Development, Discussion paper on the Trends and status of Public Service Delivery in Uganda, Nov 2021, pg. 58

⁷ OECD, Promoting Wellbeing and Inclusiveness in Sweden, August 2016.

⁸ Goal 4

being⁹, and no poverty¹⁰. On the other hand, in Brazil¹¹, where social inequality is pervasive due to inadequate tax allocations to public services, the lack of access to quality education and healthcare perpetuates cycles of poverty and undermines progress towards the SDGs. This hinders the advancement of targets related to reducing inequalities¹² and eradicating poverty¹³. Consequently, addressing social inequality through targeted tax allocations is crucial for fostering inclusive development and ensuring the attainment of the SDGs.

Linking Taxation, Social Inequality, and SDGs: A Comprehensive Framework

Taxation and the provision of public services are closely linked in a symbiotic relationship. Taxes collected by governments are a significant source of revenue used to fund essential public services such as healthcare, education, infrastructure, and social welfare programs. The level and efficiency of taxation directly impact the quality and accessibility of public services available to citizens.

Social inequality, on the other hand, refers to the unequal distribution of resources, opportunities, and wealth among individuals and groups within a society. As Warren Buffett, the renowned investor and philanthropist, famously stated, "There's been class warfare going on for the last 20 years, and my class has won."¹⁴ This disparity hinders progress towards the SDGs as it leaves marginalized communities behind, preventing them from fully participating in and benefiting from development initiatives.

The framework connecting taxation, social inequality, and SDGs illustrates how progressive taxation, which imposes higher rates on higher incomes, can address social inequality by redistributing wealth and resources to support marginalized populations. This, in turn, contributes to SDG targets related to reducing inequalities¹⁵ and eradicating poverty¹⁶.

Furthermore, addressing tax evasion and ensuring transparency in tax systems bolsters government revenue, allowing for more investment in public services that uplift disadvantaged communities and advance SDG objectives.¹⁷ By leveraging taxation as a tool for equitable resource allocation, governments can create a more inclusive society and foster sustainable development, aligning with various SDGs like quality education¹⁸, good health and well-being¹⁹, and decent work and economic growth²⁰.

In essence, a comprehensive approach that promotes fair taxation, combats social inequality, and prioritizes public service provision is vital in achieving the SDGs and fostering a more just and sustainable future for all.

The Impact of Corruption on Tax Allocations and SDGs

Corruption: A Detriment to Public Service Provision

Corruption poses a significant detriment to public service provision by diverting resources meant for the public good and undermining the effectiveness and efficiency of service delivery. According to the 2022 Corruption Perceptions Index managed by Transparency International, it was estimated that over \$1 trillion is paid in bribes each year globally, resulting in resources being siphoned away from essential public services.²¹ This diversion of funds hampers infrastructure development, healthcare accessibility, and education quality, perpetuating social inequality and hindering progress towards the SDGs. In Nigeria, corruption has led to dilapidated healthcare facilities, inadequate educational resources, and limited access to clean water, leaving vulnerable populations without essential services.²² Furthermore,

⁹ Goal 3

¹⁰ Goal 1

¹¹ OECD, Brazil Policy Brief – Inequality, Nov 2015.

¹² Goal 10

¹³ Goal 1

¹⁴ Greg Sargent, The Washington Post, Sep 2013, https://www.washingtonpost.com/blogs/plum-line/post/theres-been-class-warfare-for-the-last-20-years-and-my-class-has-won/2011/03/03/gIQApaFbAL_blog.html

¹⁵ Goal 10

¹⁶ Goal 1

¹⁷ UN Report, Breaking through to a brighter future for all, <https://unstats.un.org/sdgs/report/2023/breaking-through/>

¹⁸ Goal 4

¹⁹ Goal 3

²⁰ Goal 8

²¹ Transparency International, 2022 Corruption Perceptions Index, <https://www.transparency.org/en/cpi/2022>

²² Kayode Asaju, et. al., The effects of corruption on Nigeria's Public Service, and its implications for Good Governance, Nov 2019.

corruption erodes public trust, diminishes government legitimacy, and undermines public service effectiveness, as resources are misallocated based on personal interests rather than the needs of the entire population.

Misallocation of Funds: Diverting Resources from Public Services

Misallocation of funds occurs when resources intended for public services are diverted or allocated inefficiently, resulting in adverse effects on service delivery. One example of misallocation is the embezzlement of public funds, as highlighted in the case of the 1Malaysia Development Berhad (1MDB) scandal in Malaysia, where an estimated \$4.5 billion was misappropriated.²³ This directly impacted public services such as healthcare, education, and infrastructure development, as the diverted funds could have been utilized to improve and expand these critical sectors. The misallocation of funds leads to inadequate funding, dilapidated infrastructure, inadequate staffing, and reduced access to essential services, thereby perpetuating social inequality and hindering sustainable development efforts.

Addressing Corruption: Enhancing Transparency and Accountability

Enhanced transparency and accountability in addressing corruption play a pivotal role in achieving the SDGs. By promoting transparency in public financial management, countries can ensure that resources are allocated efficiently and effectively towards SDG priorities. In Ghana, the introduction of the Public Financial Management Act²⁴ aimed to enhance transparency and accountability in the allocation of public funds, resulting in improved resource allocation towards sectors such as education and healthcare, contributing to SDG targets of quality education²⁵ and good health and well-being^{26, 27}. Similarly, initiatives like the Extractive Industries Transparency Initiative²⁸ have helped countries like Norway and Nigeria ensure transparency in revenue flows from extractive industries, contributing to sustainable economic growth²⁹ and reduced inequalities³⁰. Through strengthening accountability mechanisms, such as independent auditing and anti-corruption commissions, countries can effectively deter corrupt practices, protect public resources, and promote trust in institutions.³¹ These measures not only foster good governance but also contribute to SDG targets of accountable and inclusive institutions³². Therefore, by prioritizing transparency and accountability in addressing corruption, countries can make significant strides towards achieving the SDGs and creating a more just and sustainable world.

Tax Evasion: A Challenge to SDG Progress

Tax Evasion and its Implications for Public Service Funding

Tax evasion has a detrimental impact on public service funding, posing a significant challenge to the achievement of the SDGs. In Greece, widespread tax evasion has contributed to a decline in government revenue, limiting resources available for public services such as healthcare and education.³³ This hinders progress towards SDG targets related to quality education³⁴ and good health and well-being³⁵. Similarly, in India, tax evasion has been a persistent problem, leading to a significant tax gap and constraining funding for critical public services, hindering efforts to reduce poverty³⁶ and promote inclusive economic growth^{37, 38}. Addressing tax evasion is vital to secure the necessary revenue to fund public services and

²³ 1Malaysia Development Berhad Scandal, https://en.wikipedia.org/wiki/1Malaysia_Development_Berhad_scandal

²⁴ Public Financial Management Act, 2016, <https://mofep.gov.gh/sites/default/files/acts/PUBLIC-FINANCIAL-MANAGEMENT-ACT-2016.pdf>

²⁵ Goal 4

²⁶ Goal 3

²⁷ LEDSGP, Ghana's public financial management act to accelerate subnational action on LEDSGP, 2018,

<https://globalclimateactionpartnership.org/2018/01/ghanas-public-financial-management-act-subnational-action>

²⁸ Extractive Industry Transparency Initiative, <https://eiti.org/>

²⁹ Goal 8

³⁰ Goal 10

³¹ M. Newiak, et. al, The Role of Supreme Audit Institutions in Addressing Corruption, Including in Emergency Settings,

<https://www.elibrary.imf.org/display/book/9781513584058/CH012.xml>

³² Goal 16

³³ M. Petrakis, Taxing Times, (IMF Sep 2019), <https://www.imf.org/en/Publications/fandd/issues/2019/09/improving-tax-collection-in-greece-petrakis>

³⁴ Goal 4

³⁵ Goal 3

³⁶ Goal 1

³⁷ Goal 8

³⁸ A. Sharma, The Concept of Tax Evasion and its Impact on National Economy, (Legal Service India E-Journal)

advance the SDGs, emphasizing the importance of implementing robust measures to combat tax evasion, enhance tax compliance, and promote fair and equitable resource allocation.

Regressive Taxation: Disproportionate Burden on the Poor

Regressive taxation, characterized by a higher tax burden on low-income individuals compared to high-income individuals, creates a disproportionate burden on the poor, exacerbating social inequalities and posing a significant challenge to the achievement of the SDGs. In Uganda, the Fair Tax Monitor Report revealed that the reliance on regressive consumption taxes, such as value-added tax (VAT), places a heavier burden on the poor who spend a larger proportion of their income on basic necessities³⁹. The Report indicated that indirect taxes which contributed 64.42% of Uganda's total tax revenue in the financial year 2020/21 have a big effect on low-income earners, especially women. This regressive tax structure hampers efforts to reduce poverty⁴⁰ and combat inequality⁴¹. Similarly, in Pakistan⁴², the reliance on indirect taxes disproportionately affects the poor, hindering progress towards SDG targets related to eradicating poverty⁴³, ensuring quality education⁴⁴, and promoting gender equality⁴⁵. Addressing regressive taxation is crucial to alleviate the disproportionate burden on the poor, promote social inclusion, and advance the SDGs, emphasizing the need for progressive tax reforms and targeted social policies to create a fairer and more equitable society.

Reforming Tax Systems for Equitable Resource Allocation

Implementing potential reforms in tax systems is crucial to ensure equitable resource allocation and address the challenge to achieving the SDGs. One effective approach is to shift towards progressive taxation, where higher tax rates are imposed on individuals with higher incomes, reducing income inequalities and generating additional revenue for public services. Sweden's tax system⁴⁶, characterized by progressive taxation, has contributed to its robust welfare state, supporting high-quality education and healthcare, and aligning with SDG targets of quality education⁴⁷ and good health and well-being⁴⁸. Another reform is reducing reliance on regressive taxes, such as value-added tax (VAT), and introducing exemptions or reduced rates for essential goods and services, ensuring that the burden does not fall disproportionately on the poor. This approach has been adopted by some countries like France, where reduced VAT rates are applied to basic necessities, mitigating the impact on low-income households and promoting social inclusion. Additionally, enhancing tax compliance through improved enforcement measures and closing loopholes can help generate additional revenue, which can be allocated towards public services, poverty reduction⁴⁹, and infrastructure development⁵⁰. When these tax system reforms are implemented, countries can foster more equitable resource allocation, promote social justice, and contribute to the achievement of the SDGs.

Case Studies and Empirical Evidence

The Effects of Corruption on Tax Allocations and SDG Achievement

Corruption can have severe effects on tax allocations and hinder progress towards SDG achievement, as exemplified by a comparison between Nigeria and Denmark. In Nigeria, widespread corruption has resulted in misallocated funds and reduced tax revenue available for public services⁵¹. Consequently, critical sectors such as healthcare and education suffer from chronic underfunding, impeding progress towards SDG targets like good health and well-

³⁹ The Fair Tax Monitor report 2021 by Oxfam Uganda and SEATINI Uganda in collaboration Tax Justice Alliance Uganda, SOMO, FEMNET and Tax Justice Network Africa was launched under the Fiscal Justice for Women and Girls in Africa project co-funded by the European Union

⁴⁰ Goal 1

⁴¹ Goal 10

⁴² Prof. Dr. Masood Mashkoor Siddiqi, Who tolerates the burden of taxes in Pakistan? Theoretical Consideration (Global Scientific Journals, Vol. 8, Issue 7, July 2020)

⁴³ Goal 1

⁴⁴ Goal 4

⁴⁵ Goal 5

⁴⁶ Åsa Gunnarsson, and Martin Eriksson, Discussion Paper on Tax Policy and Tax Principles in Sweden, 1902-2016, (Fair Tax Working Paper Series, Jan 2017), pg.35

⁴⁷ Goal 4

⁴⁸ Goal 3

⁴⁹ Goal 1

⁵⁰ Goal 9

⁵¹ *Supra*, Note 22

being⁵² and quality education⁵³. Moreover, corruption diverts resources away from infrastructure development and poverty reduction efforts, hindering the achievement of SDGs related to sustainable cities and communities⁵⁴ and no poverty⁵⁵.

In contrast, Denmark serves as a compelling example of overcoming corruption to advance SDG objectives. Denmark is consistently ranked among the least corrupt countries globally, with strong anti-corruption measures and transparent governance⁵⁶. This environment has fostered effective tax allocations to public services, contributing to Denmark's high-quality healthcare, robust education system, and social welfare programs. The emphasis on transparency and accountability in Denmark's tax system has boosted public trust and increased tax compliance, resulting in more resources being available for sustainable development initiatives. As a result, Denmark has made significant strides in achieving various SDGs, such as gender equality⁵⁷ and clean water and sanitation⁵⁸.

This comparison underscores the critical role that addressing corruption plays in ensuring efficient tax allocations and advancing SDG objectives. Through deliberate initiatives to combat corruption, countries can mobilize resources more effectively for public services, fostering equitable development and progress towards the SDGs.

Tax Evasion and Its Impact on Social Inequality and SDGs

In the words of Kofi Annan, "Tax avoidance, tax evasion, and corruption are significant barriers to human development."⁵⁹ Tax evasion can significantly exacerbate social inequality and hinder the achievement of SDGs, as illustrated by a comparison between Brazil and Sweden. In Brazil, widespread tax evasion and an informal economy have led to a substantial tax gap, resulting in limited resources for public services and social programs⁶⁰. This has deepened social disparities, with vulnerable populations facing reduced access to education, healthcare, and basic services, hampering progress towards SDG targets like quality education⁶¹ and reduced inequalities⁶².

On the other hand, Sweden's robust tax compliance and progressive tax system have played a crucial role in reducing social inequality and promoting sustainable development.⁶³ The country's commitment to progressive taxation, with higher rates for higher incomes, has facilitated more equitable resource allocation. As a result, Sweden has achieved significant progress in areas such as gender equality⁶⁴ and good health and well-being⁶⁵, with high-quality public services available to all citizens.

The comparison between Brazil and Sweden underscores the critical importance of combatting tax evasion to address social inequality and promote SDG attainment. By enforcing tax compliance and implementing progressive tax reforms, countries can mobilize sufficient revenue to invest in inclusive social policies, levelling the playing field and creating a more equitable society. Consequently, this fosters progress across multiple SDGs, leading to a more sustainable and prosperous future for all.

Lessons Learned: Successful Strategies for Combating Corruption and Tax Evasion

Successful strategies to combat corruption and tax evasion offer valuable lessons for countries seeking to improve governance and promote sustainable development. Strengthening anti-corruption institutions, as exemplified by Sweden and Denmark, is essential. Specialized bureaus and courts focused on combating corruption create a dedicated and independent approach to investigate and prosecute offenders, fostering transparency and accountability.

⁵² Goal 3

⁵³ Goal 4

⁵⁴ Goal 11

⁵⁵ Goal 1

⁵⁶ *Supra*, Note 21

⁵⁷ Goal 5

⁵⁸ Goal 6

⁵⁹ Kofi Annan, former UN Secretary General, UN General Assembly Address, October 2003

⁶⁰ Kenneth Rapoza, Tax Evasion, a way of life in Brazil, (Washington Times, July 2004)

⁶¹ Goal 4

⁶² Goal 10

⁶³ *Supra*, Note 7

⁶⁴ Goal 5

⁶⁵ Goal 3

Incentivizing whistle blower programs, as seen in Nigeria and certain developed countries, empowers individuals to report corruption and aids in recovering stolen assets, demonstrating the importance of providing rewards and protections to encourage reporting.

Enhancing tax compliance measures, as exemplified by countries like Sweden, proves crucial in reducing tax evasion. Stricter regulations and enforcement mechanisms help close tax loopholes and promote tax compliance, resulting in increased revenue collection and a more equitable tax system. Moreover, promoting transparency and accountability is paramount. By ensuring that tax allocation and spending are transparent and subject to public scrutiny, governments can build public trust, encourage citizen engagement, and foster effective fiscal policies.

Finally, international cooperation plays a vital role in addressing tax evasion and corruption. Initiatives like the Base Erosion and Profit Shifting⁶⁶ (BEPS) project demonstrate the significance of collaborative efforts between countries. By closing tax loopholes and preventing profit shifting to low-tax jurisdictions, countries can create a fairer global tax system and mobilize resources for sustainable development. Incorporating these lessons into their governance and tax policies, countries can strengthen their efforts to combat corruption and tax evasion, ensuring more effective resource allocation and advancing progress towards the SDGs.

Promoting Policy Reforms for SDG-Driven Taxation

Strengthening Legal Frameworks and Institutions

Strengthening legal frameworks is a pivotal policy reform to promote SDG-driven taxation, with a focus on two key areas: progressive tax structures and comprehensive anti-corruption measures. Implementing progressive tax reforms, inspired by successful models like Sweden's, would ensure a more equitable distribution of tax burdens, supporting SDG targets such as reduced inequalities⁶⁷ and quality education⁶⁸. By levying higher rates on higher incomes, governments can generate additional revenue to fund essential public services and social programs, fostering sustainable development and societal well-being.⁶⁹

Complementing progressive tax reforms, the implementation of comprehensive anti-corruption measures, akin to Denmark's specialized anti-corruption institutions and whistle blower programs, is essential for promoting transparency and accountability. As Christine Lagarde stated, "Without accountability, good governance is a hollow promise."⁷⁰ By creating dedicated entities to investigate and prosecute corruption cases, countries can bolster public trust in the tax system and ensure that tax revenues are directed towards SDG priorities. Additionally, robust anti-corruption measures contribute to the advancement of SDG 16, emphasizing peace, justice, and strong institutions, as they discourage corrupt practices and promote ethical governance.

Incorporating these policy reforms into legal frameworks would fortify efforts to combat tax evasion and corruption, channeling more resources towards achieving SDG-related objectives such as clean water and sanitation⁷¹ and affordable and clean energy⁷². Transparent and accountable governance, coupled with international cooperation as demonstrated by the BEPS project, would further enhance the efficacy of SDG-driven taxation, facilitating progress towards the broader vision of sustainable development. By prioritizing legal reforms that support progressive tax structures and anti-corruption initiatives, countries can create a fair and efficient tax system that empowers societies to build a more inclusive, equitable, and sustainable future for all.⁷³

⁶⁶ OECD, BEPS, <https://www.oecd.org/tax/beps/about/>

⁶⁷ Goal 10

⁶⁸ Goal 4

⁶⁹ Pierre Kohler, Redistributive Policies for Sustainable Development: Looking at the Role of Assets and Equity, (DESA Working Paper No. 139, Jan 2015)

⁷⁰ Christine Lagarde, former Managing Director of the International Monetary Fund, The Role of Personal Accountability in Reforming Culture and Behaviour in the Financial Services Industry, (IMF, Nov 2015)

⁷¹ Goal 6

⁷² Goal 7

⁷³ The United Nations Convention against Corruption, National Anti-Corruption Strategies: A Practical Guide for Development and Implementation, 2015

Enhancing Cooperation and International Efforts

International cooperation and collaboration are crucial in addressing taxation challenges, especially in the context of globalization, where financial activities transcend borders. Taxation issues such as transfer pricing, tax avoidance, and the use of tax havens demand coordinated efforts among countries to establish fair and effective tax systems.⁷⁴ Working together allows nations to close loopholes and prevent multinational corporations from shifting profits to low-tax jurisdictions, ensuring that companies pay their fair share of taxes. An existing example of such cooperation is the BEPS project initiated by the OECD.⁷⁵ This project aims to tackle tax challenges related to the digital economy and aggressive tax planning by multinational enterprises. By fostering a coordinated international tax framework that curtails tax avoidance practices, the BEPS project can lead to revenue gains for countries, particularly in developing regions, contributing to increased resources for public services, infrastructure development, and poverty reduction efforts. Ultimately, this collaborative approach aligns with the overarching goals of the SDGs, such as No Poverty⁷⁶, Good Health and Well-being⁷⁷, Quality Education⁷⁸, and Industry, Innovation, and Infrastructure⁷⁹, and promotes a more equitable and sustainable global economy.

Empowering Civil Society and Public Participation

The significance of civil society engagement and public participation in driving policy reforms towards the achievement of the SDGs cannot be overstated. Civil society organizations and active public participation play a critical role in holding governments accountable, advocating for inclusive policies, and ensuring that the voices and needs of marginalized communities are heard and addressed.⁸⁰ Nelson Mandela once emphasized, "Education is the most powerful weapon which you can use to change the world."⁸¹ By involving citizens in decision-making processes, policy reforms become more transparent, inclusive, and responsive to the actual needs of the population. This participatory approach fosters a sense of ownership and commitment to the SDGs, leading to more effective and sustainable implementation of policies. Moreover, civil society acts as a bridge between governments, private sectors, and communities, facilitating collaboration and partnerships that enhance the collective effort towards achieving the SDGs. Therefore, civil society engagement and public participation serve as catalysts for driving transformative policy reforms that can create a more equitable, just, and sustainable future for all.

Conclusion

There is an intricate nexus between taxation, social inequality, and the achievement of the SDGs. Failure to allocate taxes to public services creates social inequality, undermining SDG progress. The adverse effects of this include limited access to education, healthcare, and essential services, particularly in countries like Uganda, where misallocation of funds poses a significant challenge to SDG implementation. Additionally, corruption exacerbates the burden on the poor, hindering equitable resource allocation. On the other hand, progressive taxation, transparency, and accountability measures can address corruption and social inequality, as exemplified by successful initiatives in countries like Sweden and Denmark. International cooperation, exemplified by the BEPS project, is vital in tackling taxation challenges and supporting SDG advancement. Civil society engagement and public participation are crucial drivers of policy reforms that align with SDG objectives, ensuring transparency, inclusivity, and sustainable development efforts. Generally, by adopting effective tax policies and embracing collective efforts, nations can work towards a fairer, more equitable, and sustainable world in pursuit of the SDGs.

⁷⁴ Léonce Ndikumana, International Tax Cooperation and Implications of Globalization, CDP Background Paper No. 24, Dec 2014.

⁷⁵ OECD, BEPS, <https://www.oecd.org/tax/beps/about/>

⁷⁶ Goal 1

⁷⁷ Goal 3

⁷⁸ Goal 4

⁷⁹ Goal 9

⁸⁰ Community for Democracies, The importance of ensuring an enabling environment for civil society as it relates to the Sustainable Development Goals, (Report to the Working Group on Enabling and Protecting Civil Society, June 2017)

⁸¹ Valerie Strauss, Nelson Mandela on the Power of Education, (Washington Post, Dec 2013), <https://www.washingtonpost.com/news/answer-sheet/wp/2013/12/05/nelson-mandelas-famous-quote-on-education/>

Prioritizing tax allocations to public services is paramount for achieving the SDGs. Effective taxation policies can bridge social inequality gaps, ensuring equitable access to education, healthcare, and essential services. For instance, in Scotland, tax allocations to public services have resulted in a higher standard of living and greater social mobility, aligning with SDG targets related to quality education⁸² and good health and well-being⁸³. In contrast, countries like Uganda, with inadequate tax allocations to public services, face significant challenges in reducing poverty⁸⁴ and promoting sustainable development. By investing in public services, governments can address social disparities, promote inclusivity, and contribute to achieving the SDGs, fostering a more equitable and prosperous future for all.

Comprehensive efforts to combat corruption, reform tax systems, and promote sustainable development are imperative. Corruption undermines tax revenue collection, resulting in misallocated funds and limited resources for essential public services. By implementing robust anti-corruption measures and enhancing transparency, countries can foster effective tax systems that generate revenue for sustainable development initiatives. Progressive tax reforms, exemplified by success stories in developed countries like Sweden, ensure more equitable resource allocation, reducing social inequalities and advancing SDG targets. By addressing corruption and reforming tax systems, governments can create an enabling environment for sustainable development, ensuring the efficient allocation of resources, and fostering a more just and prosperous society in pursuit of the SDGs.

Bibliography

1. Asaju, K., et al. "The Effects of Corruption on Nigeria's Public Service and Its Implications for Good Governance." Nov 2019.
2. Åsa Gunnarsson and Martin Eriksson. "Discussion Paper on Tax Policy and Tax Principles in Sweden, 1902-2016." Fair Tax Working Paper Series, Jan 2017, pg. 35.
3. "Breaking Through to a Brighter Future for All." UN Report, <https://unstats.un.org/sdgs/report/2023/breaking-through/>.
4. Brundtland Commission (World Commission on Environment and Development), United Nations. "Our Common Future, From One Earth to One World." 1987, par.27.
5. Budget Monitoring and Accountability Unit: Ministry of Finance, Planning and Economic Development. "Discussion Paper on the Trends and Status of Public Service Delivery in Uganda." Nov 2021.
6. Christine Lagarde, former Managing Director of the International Monetary Fund. "The Role of Personal Accountability in Reforming Culture and Behavior in the Financial Services Industry." IMF, Nov 2015.
7. Community for Democracies. "The Importance of Ensuring an Enabling Environment for Civil Society as It Relates to the Sustainable Development Goals." Report to the Working Group on Enabling and Protecting Civil Society, June 2017.
8. DESA Working Paper No. 139. "Redistributive Policies for Sustainable Development: Looking at the Role of Assets and Equity." Jan 2015, Pierre Kohler.
9. "Extractive Industry Transparency Initiative." <https://eiti.org/>.
10. Franklin D. Roosevelt, 32nd President of the United States. "Inaugural Presidential Address." Jan. 20, 1937. <https://www.presidency.ucsb.edu/documents/inaugural-address-7>.
11. Greg Sargent. "There's Been Class Warfare for the Last 20 Years, and My Class Has Won." Sep 2013, The Washington Post. <https://www.washingtonpost.com/blogs/plum->

⁸² Goal 4

⁸³ Goal 3

⁸⁴ Goal 1

[line/post/theres-been-class-warfare-for-the-last-20-years-and-my-class-has-won/2011/03/03/gIQApaFbAL_blog.html](#).

12. Léonce Ndikumana, CDP Background Paper No. 24 "International Tax Cooperation and Implications of Globalization." Dec 2014.
13. Kayode Asaju, et al. "The Effects of Corruption on Nigeria's Public Service and Its Implications for Good Governance." Nov 2019.
14. Kenneth Rapoza. "Tax Evasion, a Way of Life in Brazil." Jul 2004, Washington Times.
15. "1Malaysia Development Berhad Scandal." https://en.wikipedia.org/wiki/1Malaysia_Development_Berhad_scandal.
16. M. Newiak, et al., "The Role of Supreme Audit Institutions in Addressing Corruption, Including in Emergency Settings." <https://www.elibrary.imf.org/display/book/9781513584058/CH012.xml>.
17. M. Petrakis, "Taxing Times" IMF Sep 2019, <https://www.imf.org/en/Publications/fandd/issues/2019/09/improving-tax-collection-in-greece-petrakis>
18. OECD, BEPS. <https://www.oecd.org/tax/beps/about/>.
19. OECD "Brazil Policy Brief – Inequality." Nov 2015.
20. OECD "Promoting Wellbeing and Inclusiveness in Sweden." Aug 2016.
21. Prof. Dr. Masood Mashkooor Siddiqi, Global Scientific Journals "Who Tolerates the Burden of Taxes in Pakistan? Theoretical Consideration." Vol. 8, Issue 7, Jul 2020.
22. "Tax Evasion, a Way of Life in Brazil." Jul 2004, Kenneth Rapoza, Washington Times.
23. "The 17 Sustainable Development Goals." <https://sdgs.un.org/goals>.
24. "The Concept of Tax Evasion and Its Impact on National Economy." Sharma, Legal Service India E-Journal.
25. "The Fair Tax Monitor Report 2021." Oxfam Uganda and SEATINI Uganda in collaboration with Tax Justice Alliance Uganda, SOMO, FEMNET, and Tax Justice Network Africa. Co-funded by the European Union.
26. "The Importance of Ensuring an Enabling Environment for Civil Society as It Relates to the Sustainable Development Goals." Jun 2017. Report to the Working Group on Enabling and Protecting Civil Society, Community for Democracies.
27. "The Role of Personal Accountability in Reforming Culture and Behavior in the Financial Services Industry." Nov 2015, Christine Lagarde, former Managing Director of the International Monetary Fund, IMF.
28. "The United Nations Convention Against Corruption: National Anti-Corruption Strategies: A Practical Guide for Development and Implementation." 2015.
29. United Nations Brundtland Commission (World Commission on Environment and Development) "Our Common Future, From One Earth to One World." 1987, par.27,.
30. Valerie Strauss, "Nelson Mandela on the Power of Education" (Washington Post, Dec 2013), <https://www.washingtonpost.com/news/answer-sheet/wp/2013/12/05/nelson-mandelas-famous-quote-on-education/>
31. William Savedoff "Tax Based Financing for Health Systems: Options and Experiences." 2004, pg. 9,.