

‘Domestic Revenue Mobilization’ Programme

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Brief Word on UNU-WIDER

- **Unique blend of think tank and research institute**, operating within the UN system and providing economic analysis and policy advice with the aim of promoting sustainable and equitable development for all
- Situated in Helsinki but with a **global mandate and global reach**
- Engaging a **global network** of researchers and institutions, with a strong emphasis on the Global South (to illustrate: [The Strength of the Network](#))

Domestic revenue mobilization (DRM) programme at a glance

Purpose, structure, background

- **Purpose:** Help address the challenges identified in the 2030 Agenda around DRM through a research and capacity-building programme on six thematic workstreams:
 1. Enterprises, livelihoods, and compliance
 2. SOUTHMOD - modelling taxes and social protection and their incidence
 3. International tax and illicit financial flows
 4. Institutions and institutional design
 5. Extractives
 6. Domestic financing
- Funded by Norad, four years (2020-23), NOK 92 million



- An integral part of UNU-WIDER's 2019-23 work programme, which focuses on the three development challenges of transforming economies, states, and societies
- Co-ordinated by UNU-WIDER resident and non-resident researchers, implemented through various collaborations with researchers from the Global South and North
- Builds on UNU-WIDER's research and impact on DRM over the last six years, e.g.:
 - [SOUTHMOD – simulating tax and benefit policies for development](#)
 - Work and engagement on tax administrative data in sub-Saharan Africa: [South Africa](#), Uganda, Tanzania, Zambia
 - [Extractives for development \(E4D\)](#)
 - [Government Revenue Dataset \(GRD\)](#)

Six workstreams at a glance

Approach and research focus

WS 1: Enterprises, livelihoods, and compliance

- Administrative data from revenue authorities provide a great opportunity to examine compliance and tax distortions
- Specific interest in finding out what works in technical assistance to revenue authorities – linking up with Nordic tax administrations
- Strong element of capacity building, including joint research, technical trainings
- Generate research findings on:
 - The impacts of tax on employment, growth, and revenue, with a special references to small businesses and women's work
 - Determinants of compliance and ways to enhance tax practices

WS 2: SOUTHMOD – modelling taxes and social protection and their incidence

- Provide policy makers and researchers with a tool that captures revenue and expenditures on the household level simultaneously
- Extend existing SOUTHMOD models to include (i) new data and policies, and (ii) new countries
- Capacity building through regular three-day training courses, development of online training, and supervision of national teams
- Generate research findings on:
 - Role of tax system for (voluntary) informality
 - Targetting of benefits (universal vs tightly targetted) and its financing,
 - In-kind benefits: improved modelling and understanding how important to tax-benefit system overall

WS 3: International tax and illicit financial flows

- Fighting illicit financial flows (IFFs) is central to achieve SDGs
- Provide robust research to inform a more nuanced debate on the ways forward
- Generate research findings on:
 - Estimating the stock of hidden wealth and the extend of international corporate tax avoidance
 - Exploiting audit information and legal cases to estimate IFFs
 - Exploiting leaks to link IFFs and individuals
 - Estimating the effect of anti-IFF initiatives as well as the broader cost of IFFs

WS 4: Institutions and institutional design

- Fiscal capacity is key for state-building and economic development
- While a large literature exists for developed countries, it is less clear how fiscal capacity may be built in weak institutional contexts
- Generate research findings on:
 - the economic, political and historical determinants of fiscal capacity in low- and middle-income countries
 - how the fiscal contract between the state and the citizen may emerge in low-income country environments with weak state legitimacy and poor tax compliance
 - the conditions under which fiscal capacity may arise in resource-rich countries

WS 5: Extractives

- Need for more research evidence in international initiatives (e.g. EITI, OECD, etc.), national policy and donor support around the extractives industries (both bilateral and multilateral)
- Generate research findings on:
 - Scenario-building and revenue-forecasting
 - Corruption, illegal trading & tax-evasion across the value chain
 - Fiscal regime, design and practice
 - Taxation of multinational corporations
- Active participation with organizations and international initiatives and strong stakeholder engagements to ensure research uptake throughout implementation

WS 6: Domestic financing

- Domestic saving plays a crucial role in DRM efforts of developing countries. However, efforts to increase domestic savings rates has not met with much success in low-income countries, especially in sub-Saharan Africa.
- Generate research findings on:
 - the determinants of domestic savings rates, using macro data
 - the experiences of relatively successful countries (e.g. Tanzania) and unsuccessful countries (e.g. Kenya and Mozambique).
 - saving rates in high-performing countries, such as China and India.
 - the determinants of savings rates among households and the corporate sectors, using micro data

Engagement possibilities

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- UNU-WIDER research positions: 4 Post-doc and 4 research assistant positions (<https://www.wider.unu.edu/opportunity/>)
- Participation in requests for research proposals (RFRP) across the six workstreams
- Open-access resources: papers, models, and datasets
- [Subscribe](#) for any news and opportunities



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