



Policy Space through Domestic Resource Mobilization— A Key to Empowerment for Social Development

A “Side Event” during the 51st Session of the UN Commission for Social Development
Monday, 11 February 2013 from 1:15pm to 2:30pm
United Nations NLB, Conference Room C

Sarah Cook, *Director, United Nations Research Institute for Social Development (UNRISD):*

Bargaining for fiscal space: mobilizing domestic resources for social development

Germania Montás: *Deputy Director, Dirección General de Impuestos Internos, Dominican Republic:*

GFDD/FUNGLODE collaborator: Best practices in tax administration to achieve sustained revenue increase for social development

Bhumika Muchhala, *Third World Network and SocDevJustice:*

Mobilizing domestic resources through higher wages and employment

Moderator: Gemma Adaba, *Social Justice in Global Development (SocDevJustice)*

Discussant: Michael Lennard: *Secretary, UN Committee of Experts on International Cooperation in Tax Matters*

The 51st Session of the Commission for Social Development is focusing on the theme of people's empowerment as an important foundation for social development through poverty eradication and decent work for all. It is critical to explore the key role that governments need to play in creating an enabling environment for human development, so that people are equipped with the human resource endowments (good health, education, skills, and social protection) to enable them to participate effectively in development, and obtain decent jobs. For the attainment of people's empowerment, government policy choices matter.

In particular, achieving human development requires adequate levels of public expenditure allocated to social development. Huge shortfalls in funding for social development have persistently plagued the budgets of many developing countries over the years, reflecting deficiencies in fiscal and policy space to implement National Development Strategies, and to achieve the Millennium Development Goals. Focusing, for example, on mineral-rich countries, it is clear that many of them have not been able to harness the profits of resource exploitation in support of public budgets for social development. Trillions of dollars are lost to development annually, owing to poor allocations of the proceeds of mineral wealth extraction, tax loopholes and tax concessions and breaks to Multi-National Corporations (MNCs), including in the resource extractive industries, transfer-pricing by MNCs, capital flight, illicit capital flows, weak tax administration and the excessive accumulation of foreign exchange reserves by Central Banks, which has proliferated in recent years as sovereign states try to protect themselves from capital outflows and other kinds of financial instability. There is much scope for improvements in domestic resource mobilization strategies with the aim of ensuring that the necessary policy space is created to finance and sustain long-term investment in social sectors and social development policies.

This Panel Discussion will focus on the constraints to effective resource mobilization faced by many developing country governments, and explore how policies can be shaped to ensure equitable domestic resource mobilization and strategic redistribution measures that prioritize financing for health, education, social protection floors, and in support of decent work objectives. By so doing, it aims to make a contribution to an important sub-theme of the current policy dialogue, that of financing people's empowerment.



Sarah Cook is Director of the UN Research Institute for Social Development (UNRISD) where her current research activities focus on social policy for inclusive development and the social dimensions of sustainable development. Sarah previously worked at the Institute of Development Studies, and for the Ford Foundation's Beijing Office. She has undertaken extensive research on economic and social change in China. Recent publications include *Social protection as development policy - Asian perspectives* (edited with Naila Kabeer, 2010) and 'Harsh Choices: Chinese Women's Paid Work and Unpaid Care Responsibilities under Economic Reform' (with Xiao-yuan Dong) *Development and Change* (2012).



Germania Montás Yapur is Deputy Director of the General Directorate of Internal Revenue (DGII), of the Dominican Republic. From August 2004 to August 2012, she was in charge of the process of Strategic and Technological Planning, including the implementation of plans for the modernization of DGII. Among principal projects she directed: implementing Control of Fiscal Invoices, of Virtual Office for taxpayers, Extension of capacity for tax collection coverage, Online Payment of Taxes in Banks, Performance Evaluation based on indicators, including scorecards. Ms Montás Yapur holds a Degree in Economy from the Universidad Autónoma de Santo Domingo (UASD), with specialization in design and implementation of Technology Projects.



Bhumika Muchhala is coordinator of the Finance and Development Program in Third World Network (TWN). Based in New York, her areas of expertise are the policies in the global financial architecture and institutions from the perspectives of impacts on and concerns of developing countries. In the UN General Assembly, she follows the intergovernmental processes in finance and development, governance, and social development. Previously, she has coordinated the IMF Program at the Bank Information Center in Washington DC, and organized policy dialogues and published briefings in the Asia Program at the Woodrow Wilson International Center for Scholars. She has also engaged in the international labor rights movement, taking lead roles in organizing corporate accountability campaigns. She has a Masters' in Development Economics from the London School of Economics.



Gemma Adaba is an International Development Consultant. The policy focus of her work includes Global Labour and Employment, Education, Social Protection, Gender and Migration. Formerly, she was the Representative of the International Trade Union Confederation (ITUC) to the United Nations in New York, from 1999 to 2010. In that capacity, she followed the major Conferences and intergovernmental meetings of the UN on thematic areas related to social, economic, migration and development policies, including financing for development.



Michael Lennard is Chief of International Tax Cooperation and Trade in the Financing for Development Office (FfDO) of the United Nations. This work has a focus on ensuring the fairness and workability of international tax norms, including achieving greater developing country input into those norms, and encouraging cooperation to improve tax systems and administrations, as a spur to sustained development. Previously Mr Lennard was a tax treaty adviser in the OECD Tax Treaty Secretariat in Paris and prior to that he worked on tax treaty and other international tax matters at the Australian Tax Office. He had earlier worked in the Australian government's Office of International Law. He has led Australian negotiating teams on trade, investment, environmental and tax treaty. Mr Lennard has degrees from the University of Tasmania, the Australian National University and Cambridge.