A Post-2015 Fiscal Revolution

Human Rights Policy Brief

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CENTER FOR ECONOMIC AND SOCIAL RIGHTS
SOCIAL JUSTICE THROUGH HUMAN RIGHTS

christian aid

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Executive Summary

This joint policy briefing by the Center for Economic and Social Rights (CESR) and Christian Aid presents a blueprint for ensuring **sufficient, equitable and accountable financing for sustainable development** in the post-2015 era. It explains how this can be achieved through three mutually-reinforcing dimensions of fiscal policy, buttressed by existing international human rights standards. First, the sufficiency of resources could be boosted by a range of complementary domestic and global fiscal commitments which together could unleash significant additional public funding for sustainable development. Second, concrete steps to more fairly distributing the burdens and benefits of the impact of those resources would have significant outcomes on reducing corrosive levels of socio-economic inequality in all countries. And third, accountability over financing requires enhanced transparency, participation and public oversight of domestic and global tax and fiscal policy-making.

Together, these three interdependent dimensions, founded on existing human rights standards and coupled with meaningful international cooperation, could deliver a fiscal revolution, transforming the way resources are raised and spent for the dignity of all.

As governments move into the final stages of negotiating a new sustainable development framework, this post-2015 moment represents a once-in-a-generation opportunity to incentivize them to take bold steps individually and in concert towards a fiscal revolution. Indeed, without realizing concrete measures to ensure the sufficiency, equality and accountability of resources for sustainable development, it is hard to see how an ambitious and transformative set of renewed goals will be realized. Accordingly, the Center for Economic and Social Rights and Christian Aid outline a series of concrete proposals, based on decades of experience in the human rights and development fields.

The many obstacles and opportunities for adequate financing of sustainable development could be partly addressed by including a set of fiscal policy commitments, targets and indicators in the Sustainable Development Goals. The briefing proposes six inter-connected SDG targets, along with associated indicators, to ensure sufficient, equitable and accountable financing of sustainable development:

1. Raise sufficient public resources to finance high quality essential services for all.
2. End cross-border tax evasion, return stolen assets, forgive odious debt and progressively combat tax abuses.
3. Reduce economic inequality within countries through enhanced use of progressive taxation on income and wealth.
4. Improve redistributive capacities to progressively reduce disparities in the enjoyment of human rights by all socio-economic groups, and between women and men, in all regions.
5. Ensure the rights to information and participation of all people, without exclusion or discrimination, in the design, implementation, financing and monitoring of public policies.
6. Guarantee public and judicial oversight of the generation and use of public resources.

In light of the deep and wide information gaps which lead to opaque fiscal decision-making processes, the briefing offers a series of recommendations on how the post-2015 "data revolution" can significantly boost the availability, accessibility, disaggregation and quality of both domestic and cross-border fiscal and financial data. A **fiscal data revolution** of this type will help to expose the hidden injustices buried in the way fiscal policies are conducted, and who truly benefits from them.

The success of the SDGs finally will ultimately hinge on the proper functioning of a robust yet agile **accountability infrastructure** which holds different development actors to account according to their distinct responsibilities. As UN member states are beginning to discuss approaches to monitoring, review and accountability under the post-2015 development agenda, the briefing sets out several means by which the fiscal revolution can render sustainable development more responsive to human rights, and more accountable to people and the environment.

Finally, in the lead-up to the third international conference on **financing for development,** the briefing proposes several ways to reinvigorate democratic and effective multilateral co-operation to ensure sufficient, equitable and accountable financing of sustainable development.

A Post-2015 Fiscal Revolution

I. INTRODUCTION

Never before has the world enjoyed such abundant resources to realize just and sustainable development for all people everywhere. Yet, never before have these resources, and the decision-making power over them, been so poorly distributed.

On a daily basis, people across the world face poor quality, inaccessible, and unaccountable essential services—in large part due to stark financing gaps. The goal of achieving basic education for all, for example, faces an estimated gap of some US$26 billion (bn) annually[1]. Roughly similar amounts of investment are necessary for water and sanitation for all[2]. The cost of ensuring everyone has more than $1.25/day—hardly an ambitious or dignifying target for freedom from poverty—is now estimated at roughly $55 billion a year[3]. As a whole, the ***MDGs were under-resourced globally by at least $120 billion per year***[4] —a key reason many of these goals have ended up as broken promises, especially for the most disadvantaged in society.

As we look to the horizon and the next generation of Sustainable Development Goals (SDGs), the financial implications of ensuring a life of dignity for all are enormous—an order of magnitude greater than the MDGs. While it is impossible to put a price-tag on as-yet undecided commitments, recent estimates put global climate mitigation and adaptation costs at between $520bn and $840bn annually, biodiversity management at between $200 and $900bn, and ocean and forest restoration at between $100 and $200bn[5]. Post-2015 commitments in areas such as education, health, food and nutrition, water and sanitation are also likely to cost more than the MDGs given the laudable proposals to leave no-one behind and reach universal coverage in many of these areas. While estimates can only be very approximate at this stage, ***the SDGs will almost certainly require an investment of well over a trillion dollars per year***[6].

In the current climate of fiscal austerity and perceived resource scarcity in the public sector, many have concluded that the largest sums of financing for sustainable development will need to come from private sources, especially the $18 trillion per year in global private capital[7]. There is no question that the private sector has an important role to play in driving economic dynamism and a vigorous job market. There is likewise a strong case for making businesses prevent, and pay for, any ills they cause to people and the environment. Ensuring businesses finance the infrastructure they use, pay to restore the forests and ocean stocks they deplete, and contribute according to their carbon emission levels to the costs of climate change and transitioning to a low-carbon economy is common-sense[8]. So is ensuring that that the 8% of that private capital held unrecorded in offshore financial centers[9] is effectively taxed and equitably invested in sustainable development priorities.

Unfortunately, these types of measures aimed at ensuring the accountability of private sector investments are not receiving as much focus in current financing debates as are steps to foster positive business incentives. In the absence of proper regulatory and accountability mechanisms, an overreliance on private financing of public goods and services would have serious hidden risks to inclusive, sustainable and accountable development. The toolkit of legal and policy enticements often deployed to boost an investor-friendly environment—such as tax holidays and exemptions, weakened labor and environmental protections, abusive stability and investment clauses, risk guarantees, biased market liberalization and financial sector deregulation—are precisely the same policy instruments which have often shifted private risk onto the public, driven deeper inequality and undermined human rights and sustainable development. Foreign direct investment (FDI) meanwhile has not been the panacea so long envisioned. Outflows of profits made on FDI, for example, were equivalent to almost 90% of new FDI inflows in developing countries in 2011[10], raising questions about the ultimate beneficiaries of these investments. Nor is there any guarantee that the sums brought in as private finance are in anyway fungible and adaptable to the current sustainable development financing needs. All the while, the disproportionate attention currently being given to attracting private capital to finance sustainable development financing may well be diverting attention from other more accountable and human rights-centered alternatives.

This joint policy briefing by the Center for Economic and Social Rights (CESR) and Christian Aid explores the role of fiscal policy in generating and allocating resources for sustainable development from a human rights perspective. Human rights standards, set out in a range of international treaties which governments have already voluntarily agreed to, provide a framework of binding principles which are of particular relevance to fiscal policy in the context of sustainable development. These include the obligations of states to generate and use the maximum available resources to progressively realize economic, social and cultural rights, to tackle inequality and prevent discrimination in the generation and use of resources, and to ensure transparency, accountability and meaningful participation in fiscal policy processes. Ensuring that fiscal policy abides by these principles is a responsibility that falls to capable and accountable states[11] as primary guarantors of human rights. It is precisely the extent to which a state enjoys robust, equitable and accountable fiscal foundations, anchored in the human rights duty to maximize all available resources, which makes or breaks its ability to realize human rights and sustainable development.

The briefing sets out a blueprint for ensuring sufficient, equitable and accountable financing for sustainable development through three mutually-reinforcing dimensions, all founded in existing international human rights standards (Fig.1).

First, the sufficiency of resources could be boosted by a range of complementary domestic and global commitments which together could unleash at least US$1.5 trillion per year in additional, stable and predictable public funding, reducing the scramble for private financing without threatening other macroeconomic imperatives or pushing costs onto the general public. (Fig.2).

Second, the impact of those resources in reducing corrosive levels of socio-economic inequality in all countries would be enhanced by more fairly distributing the burdens and the benefits of sustainable development financing.

Thirdly, accountability over financing requires enhanced transparency, participation and public oversight over domestic and global tax and fiscal policy making.

Together, these measures could amount to a long-needed "fiscal revolution," with clear implications for how the SDGs will be measured, implemented and monitored over time.

II. THREE DIMENSIONS OF A HUMAN RIGHTS-CENTERED FISCAL REVOLUTION

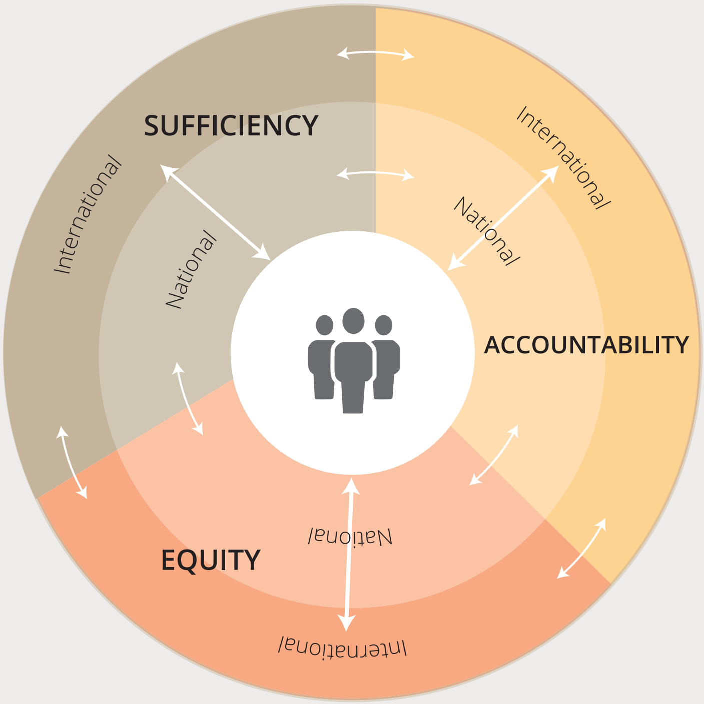
Fiscal policy is an essential tool for sufficient financing of sustainable development. Domestic resource mobilization, especially progressive taxation supported by international cooperation, is the most effective and legitimate way of resourcing long-term and sustainable improvements in people's lives. Fiscal policy in particular can provide the predictable and integrated financing so important to budget planning in a volatile and uncertain international climate. Alongside labor, minimum wage and social protections, fiscal policy has also been the most significant tool for governments to affect income distribution.[12] The state's ability to tax from, and spend on, its people has also led to a more accountable and representative relationship between the governing and the governed. Fiscal policy therefore is fundamental to sustainable development, as it supports the functioning of a capable and effective state and is a key instrument for transforming economic growth into improved living conditions for all. There is thus a mounting case for sustainable development financing to be centered on progressive fiscal policy which provides sufficient revenue, drives substantive socio-economic equality and redistributes power over policy decision-making to include the currently disadvantaged or marginalized.

Reorienting fiscal policy towards these goals is not only a compelling policy option, it is also a matter of human rights obligation. Existing human rights standards, enshrined in the nine core international treaties[13] to which the vast majority of states are party and internalized in domestic Constitutions across the globe, already oblige governments by law to conduct fiscal policy in a way which ensures fair, full and accountable financing of their human rights and sustainable development commitments. As higher order policy objectives, human rights standards can give much-needed normative direction to fiscal policy, especially in reinforcing the resourcing, redistribution and accountability functions of taxation.[14] They introduce considerations of equity, sustainability and international cooperation to check the decades-long fixation with efficiency and international competition in tax policy.[15] Thinking of progress in achieving sustainable development as a matter of human rights, rather than as a benefit dependent on a particular government's discretion, also implies in practice that such gains are more durable and more accountable, improving the bargaining power of the most marginalized over development financing over time.

A fiscal revolution buttressed by human rights standards would thus entail three inter-dependent, mutually-reinforcing dimensions at the domestic and global levels: the generation of sufficient resources, the reduction of socio-economic inequalities of all kinds, and the enabling of accountable governance over sustainable development financing.

A series of six key human rights-based policy objectives can be derived under each of these dimensions at the domestic and international levels, providing an important framework for developing a set of clear policy commitments, or targets, for embedding the fiscal revolution into the Sustainable Development Goals (SDGs).

Figure 1: A Human Rights-Centered Fiscal Revolution: Sufficiency, Equality and Accountability in Public Financing for Sustainable Development



SUFFICIENCY	EQUALITY	ACCOUNTABILITY
International Boost additional public financing while curbing illicit financial flows and harmful tax competition	**International** Redress historic North-South inequalities by reversing capital outflows from developing countries	**International** Democratize decision-making on global trade, aid and tax processes, and make more responsive to community needs
National Improve domestic resource mobilization	**National** Tackle socio-economic inequalities through fiscal policy	**National** Enhance transparent, participatory and accountable fiscal and budget processes Ensure effective remedy for fiscal injustices

1. Generating sufficient revenue for sustainable development

A capable and accountable state requires well-resourced public institutions and a strong regulatory system to orient the economy in a human rights-respecting direction. This in turn depends on the ***first dimension of any fiscal revolution—putting in place robust and predictable material foundations on a scale commensurate with the realization of human rights and development commitments.*** The UN estimated, for example, that financing the MDGs would have required all states to generate public revenue representing at least 20 percent of GDP.[16] In light of the trillion-dollar estimated costs of the SDGs, a plethora of actions are available to boost public financing of sustainable development on an appropriate scale.

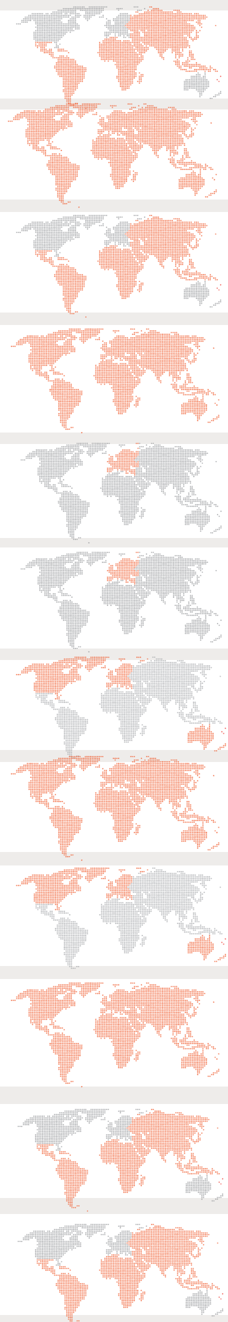
Figure 2: Indicative Measures to Boost Public Financing of Sustainable Development

This table lists a range of indicative measures which have been proposed by various international organizations to boost public financing of sustainable development, together with the approximate amounts these could generate. These measures are not exhaustive, and the amounts are rough estimates, especially given the significant gaps in robust data. However, they together present a fair indication of the types and scale of public resources available through international cooperation yet currently untapped for resourcing sustainable development.

Figure 2: Indicative Measures to Boost Public Financing of Sustainable Development

ANNUAL AMOUNT (BILLIONS OF USD)

Measure	Annual amount	Scope	Source
Fully return stolen assets to developing countries	US$ 20-40	DEVELOPING COUNTRIES	UNODC & WORLD BANK[17]
Tax illicit financial flows	US$ 217-692	DEVELOPING COUNTRIES, GLOBAL	FITZGERALD[18]
Cease harmful corporate income tax expenditures (holidays, exemptions, etc.)	US$ 69	DEVELOPING COUNTRIES	ACTION AID[19]
Progressively redirect fossil fuel subsidies to climate finance and sustainable development	US$ 173-531	GLOBAL	IEA, IISD, ETC.[20]
Implement a progressive ‘Sustainable Development Solidarity’ capital tax in Europe	US$ 274	EU	BASED ON PIKKETY[21]
Implement a financial transaction tax across major financial centers	US$ 70-661	GLOBAL	LEADING GROUP[22]
Tax carbon emissions	US$ 250	DEVELOPED COUNTRIES	UNDESA[23]
Implement a currency transaction tax	US$ 40	GLOBAL	UNDESA[24]
Meet official development assistance commitments	US$ 168	DEVELOPED COUNTRIES	OECD[25]
Invest 10% of total military expenditure into sustainable development	US$ 92	GLOBAL	SIPRI YEARBOOK[26]
Cancel odious foreign debt	US$ 49	CERTAIN DEVELOPING COUNTRIES	HANLON[27]
New issuance of Special Drawing Rights	US$ 160-270	DEVELOPING COUNTRIES	UNDESA[28]



TOTAL ADDITIONAL PUBLIC FUNDING FOR SUSTAINABLE DEVELOPMENT ANNUALLY

Lower-bound estimate (trillions): US$ 1.58T

Upper-bound estimate (trillions): US$ 3.13T

Despite the range of measures potentially available, several domestic and global barriers interact to pose serious challenges to sufficient levels of resource mobilization for sustainable development.[29]

Several ***domestic*** challenges pose significant costs to the public coffers, including weak tax collection; rampant tax evasion; secretive often regressive tax incentives, such as corporate tax holidays and exemptions;[30] deficiencies in the enforcement of tax obligations;[31] insufficient application of progressive income and capital taxes;[32] and low tax morale. In this context, governments have a duty under several international treaties to "take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of [...] available resources," to realize human rights.[33] In addition to the effective use of existing resources, this obligation puts an onus on governments to assess whether sufficient revenue is being raised to meet human rights and sustainable development imperatives, and if not they are compelled to increase revenue in equitable, non-regressive ways.[34] Before making any cuts to public expenditure or introducing other fiscal austerity measures which could lead to "retrogression" or backsliding in economic and social rights enjoyment, on the other hand, governments are duty-bound to seek out and exhaust all possible alternatives, including tax and budget alternatives.[35]

Perhaps the most significant barriers to sustainable domestic resource mobilization are ***global*** in nature. Illicit financial flows, about 80% of which stem from cross-border corporate tax evasion and capital flight through tax avoidance, amount to around a trillion dollars in developing countries.[36] These outflows are facilitated by off-shore secrecy and low-tax jurisdictions which fundamentally encroach upon, if not erode, the sovereignty of countries in North and South to levy and protect their own revenue base in non-discriminatory ways.[37] Associated declines in tax revenues are of much larger consequence to low- and middle-income countries, whose tax revenue bases are already much lower on average than OECD countries.[38] Many low- and middle-income countries furthermore suffer from under-resourced public institutions, in particular revenue authorities, with limited capacities to enforce the law and pursue those who conceal their funds through tax evasion.

Even if cross-border tax compliance was flawless and the revenues properly distributed across countries, harmful tax competition would still pose a textbook case of a collective action problem. The mobility and effective power of capital has grown over the past decades.[39] Wide differences in statutory tax rates—especially corporate income tax rates—have enabled investors to use different jurisdictions that have the same relative economic features but very different tax rates against one another. As a result, governments have been prompted to strategically compete with their neighbors for capital using their corporate tax rates, pushing effective tax rates far below optimal levels for sufficiently resourcing sustainable development.[40] An indication of this deliberate trend is that the average corporate tax rates worldwide reduced on average from 38% in 1993 to 24.9% in 2010.[41] Tax competition also has the effect of deepening inequality by preventing capital gains from being effectively taxed, and thereby shifting more of the fiscal burden onto increased labor taxes, or cutbacks to public expenditure on essential services which affect lower-income groups and women disproportionately.[42]

In this global context, human rights standards recognize that individual governments interact in an interdependent, global arena. The obligation to cooperate and assist internationally requires governments to respect, protect and support the fulfillment of human rights overseas, commensurate with their capacities, resources and influence.[43] Every nation's duty to respect human rights requires them to avoid conduct that has foreseeable risks of impairing the enjoyment of human rights by persons beyond their borders.[44] These legal duties imply that governments must collaborate with—and not undermine—other governments' efforts to mobilize the maximum of available resources for human rights and sustainable development.[45] To ensure respect for human rights and policy coherence, governments have the obligation to conduct human rights assessments of the extraterritorial impacts of laws, policies and practices,[46] including those related to taxation. Government laws and policies which have the effect of preventing other countries from resourcing rights in equitable ways (e.g. supporting cross-border tax evasion, improper regulation of abusive private financial actors, private creditors or other business enterprises, aid or trade conditionalities, and unjustifiable constraints on deficit financing) clearly work against the achievement of human rights and development goals. Consideration of the spill-over effects[47] of such laws and policies must therefore be central to determining whether states, international institutions and large business actors are meeting their human rights and sustainable development responsibilities.

2. Ensuring equality in the burdens and benefits of sustainable development financing

The sufficiency of the gross amount of generated revenue is only one dimension of an effective fiscal policy. Increasing tax take alone as a barometer of fiscal success, blind to the distributive consequences, might in fact create perverse incentives for poverty and inequality reduction. ***The distributive impacts of how resources are raised and spent are thus a second central dimension to a human rights-centered fiscal revolution.[48]*** This is especially relevant in middle-income and upper-income countries with high levels of economic inequality.

In the best of cases, progressive fiscal policy can dislodge social and economic inequalities by generating revenue in ways that place a proportionate burden on those who are better off, while 'equalizing up' by allocating resources to benefit the most disadvantaged in society. National experiences show that essential public services like healthcare, education and social protection—funded through progressive taxation—have boosted the income of the poorest people across the OECD by around 76 percent, and reduced income inequality by an average of 20 percent.[49] Experiences with gender budgeting have also shown how progressive fiscal measures and investment in essential services are essential for the achievement of gender equality and women's rights.[50] More often, however, especially in the wake of economic crises, low-income households bear the brunt of the costs of the public services they rely on through increased tax burdens. In the worst of cases, low-income households face a double-burden of facing proportionally more of the tax burden, while also suffering deteriorating public services.[51] Many women and girls are forced to face the additional costs of unpaid care needs which result from such cutbacks to essential services.[52]

Many challenges hamper the ability of governments to effectively combat socio-economic inequalities through fiscal policy. On the tax side, a marked preference for regressive, indirect taxes has been complemented by a hollowing out of progressive direct taxes on high-income earners and capital (property and financial assets) in many rich and poor countries alike.[53] Sharp drops in the top personal income tax rates - of almost 30% on average since 1980 - across countries North and South have been especially troubling given the widespread increase in the concentration of wealth in many countries over this period, as has the weakness of capital taxes to combat inequality.[54] On the spending side, budget allocations in most countries consistently fail to prioritize sustainable development and human rights imperatives. The global economic crisis brought in its wake deepening fiscal austerity, leading to reductions in social, economic and environmental expenditures needed to sustainably reach the poorest sectors of the population in many countries undergoing fiscal austerity.[55] Cuts to public expenditure in many countries are compounded by uneven capacity, efficiency and effectiveness of public service delivery. All the while, the general absence of human rights and equality impact assessments of tax and fiscal policy reforms, including harsh austerity measures, has prevented the public from knowing and challenging the full extent of the inequities buried in the benefits and burdens of fiscal policy.

In this context, human rights standards oblige states to strive towards substantive equality in the enjoyment of all human rights, and to take active steps to eliminate discriminatory laws, policies or practices which result in disparities on grounds such as race, gender, religion or social origin.[56] This means that governments' tax and budgetary policies in the first instance must avoid directly or indirectly discriminating against any particular groups, including people living on low incomes.[57] In certain circumstances, States are also required to take special measures to prevent and eliminate structural disadvantages which perpetuate *de facto* discrimination.[58] Human rights law also obliges governments to conduct fiscal policies (including the allocation of the proceeds from asset recovery and innovative financing mechanisms) in ways which effectively alleviate the tax burden on the poorest, and progressively increase the low levels of income, capacities and access to essential services which prevent the full realization of human rights of disadvantaged groups on an equal footing.[59]

3. Fostering accountable fiscal governance for sustainable development

At the heart of all of these fiscal challenges lie stark imbalances of power in decision-making over how resources are raised and spent. Human rights norms oblige governments to subject their fiscal and budgetary decisions —through all phases of the policy cycle—to the highest standards of transparency, participation and accountability. ***Providing people with access to timely, accessible and relevant fiscal information, and enabling effective and meaningful participation in the design, implementation and monitoring of fiscal policy —the third dimension of a fiscal revolution— are rights in and of themselves, not merely a privilege for the politically well-connected.*** [60] What's more, the development of vigorous mechanisms for active public participation and access to justice, where decision-makers are called on to justify their actions in the fiscal policy cycle, can set up positive feedback loops between people and their government, fostering a culture of dynamic policy learning.[61]

Yet, the basic requirements to make reasonable, informed decisions based on effective and meaningful participation of all social groups are often sorely lacking, even more so vis-à-vis external private financing. People's right to access detailed, reliable, periodic and disaggregated fiscal and financial information is strongly curtailed in many countries, especially the financial information necessary to root out illicit financial flows, curb corporate capture of development processes, and detect other tax abuses such as socially-useless tax expenditures. This fundamental vacuum in fiscal information compounds and reinforces the lack of effective, meaningful and institutionalized participation of the most disadvantaged social groups and countries in the design, implementation and monitoring of fiscal policy. If they happen at all, tokenistic consultations too often take the place of meaningful participation, with little to no impact on decision-making.

Effective fiscal accountability is not only a human rights imperative, but also a key determinant in strengthening tax compliance and tax morale, and is therefore one of the essential elements to ultimately ensure equitable and effective development outcomes. Yet, the robust, agile mechanisms needed to ensure public oversight, effective remedy and redress for fiscal harms are also deficient, even in countries with the most sophisticated and independent justice institutions.

Alongside full transparency and meaningful participation in fiscal policy making, human rights require effective legal remedies and reparation for deprivations resulting from fiscal measures that breach human rights standards.[62] Fiscal policies should thus be subject to judicial oversight, and public officials should be held accountable for decisions that run counter to human rights.[63] Equal access to complaints and redress mechanisms, and robust sanctions for any wrong-doing by public or private actors is likewise essential. Further, preventative sanctions and rigorous penalties for illegal behavior can remedy long-standing tax abuses, deter future misbehavior, increase tax morale and boost public revenues.[64]

In this context, governments are legally obliged to protect against and remedy human rights abuses by third parties, including businesses, in line with the UN Guiding Principles on Business and Human Rights.[65] Governments thus must ensure that all legal and natural persons they are in a position to regulate, including banks and accounting firms, cease to be involved in illegal tax evasion or other potential tax abuses which are detrimental to the full realization of human rights.[66] In order to ensure companies respect human rights and sustainable development in turn requires due diligence and mandatory, independently-verified reporting of the human rights, sustainable development and tax impacts of large businesses.

In sum, progressive fiscal policy founded on existing human rights legal standards and coupled with meaningful international cooperation presents significant but still-untapped potential to ensure sufficient, equitable and accountable public financing for sustainable development and human rights for all.

The following section sets out how these three dimensions of the fiscal revolution can be taken forward in the post-2015 context.

III. ESSENTIAL COMMITMENTS FOR A POST-2015 FISCAL REVOLUTION

As the MDG era concludes, UN member states are now in the critical stage of deciding the content and means of financing and implementing the post-2015 sustainable development framework. There has been unprecedented mobilization by civil society across the globe for a more transformative paradigm aimed at the realization of human rights for all.[67] ***This post-2015 moment represents a once-in-a-generation opportunity to incentivize governments to take bold steps individually and in concert towards a fiscal revolution. Indeed, without realizing concrete measures to ensure the sufficiency, equality and accountability of resources for sustainable development, it is hard to see how an ambitious and transformative set of renewed goals will be realized.***

As governments move into the eleventh hour of devising a sustainable development framework, the Center for Economic and Social Rights and Christian Aid outline a series of concrete proposals—an initial blueprint for a post-2015 fiscal revolution—with clear implications for the SDG metrics themselves, for their means of implementation as well as for their monitoring and accountability infrastructure.

A. Proposed SDG targets and illustrative indicators for a post-2015 fiscal revolution[i]

The many obstacles and opportunities described above could be partly addressed through a concrete set of targets to embed the fiscal revolution into the heart of Sustainable Development Goals. The commitments and targets proposed below take into account and build on a range of measures put forward by international organizations, development practitioners and academics. Nested under these targets, we also propose a basket of illustrative indicators which would apply in different ways to all countries North and South. In some instances, particularly in the case of cross-border tax abuses, there will be a need for governments to identify appropriate actions based on their respective capabilities and responsibilities, and articulate these clearly in national sustainable development plans. In the appendix, data sources are also listed where available, and where not, included in the proposed fiscal data needs

Generating sufficient revenue for sustainable development

TARGET 1: Raise sufficient public resources to finance high quality essential services for all.[68]

Illustrative indicators and benchmarks:

a. Commit to a universal domestic resource floor of 20% tax/GDP by 2020, and 25% by 2030.[69]
b. Increase potential vs. actual tax revenue (tax effort) by x%
c. Boost capacity of public revenue authorities

i For a more expansive working mapping of fiscal justice targets, indicators, data sources and data needs, visit https://docs.google.com/spreadsheets/d/1I8CpMyPIc5urleFA9-UDe68F_ks113bp0i5JHF3NU0w/edit?usp=sharing. Write to post2015.fiscalrevolution@gmail.com if you'd like to submit suggestions of other indicators and/or data sources.

TARGET 2: End cross-border tax evasion, return stolen assets, forgive odious debt and progressively combat tax abuses.[70]

Illustrative indicators and benchmarks:

a. Beneficial ownership: Improve to 100% the share of companies (and legal arrangements including trusts and foundations) for which beneficial ownership is known and publically registered (intermediate indicator)[71]
b. Tax information exchange: Improve to 100% the share of international trade and recorded financial flows that takes place between jurisdictions with automatic exchange of tax information, as well as the number of countries covered by automatic information exchange (intermediate indicator) [72]
c. Decrease the volumes of illicit financial flows by x%
d. Coordinated global adoption of rules to combat tax avoidance (e.g. withholding rules)
e. Decrease overall financial secrecy by x%
f. Improve to 100% the share of stolen assets returned to source country
g. Improve to 100% the share of volumes of odious debt forgiven
h. All countries conducting spillover analyses of impact of fiscal policies on human rights and sustainable development, particularly in developing countries.
i. Existence of collective sanctions for private and public actors refusing to cooperate on tax matters

Ensuring equality in the burdens and benefits of sustainable development financing

TARGET 3: Reduce economic inequality within countries through enhanced use of progressive taxation on income and wealth.

Illustrative indicatorsand benchmarks:

a. Improve progressivity of tax regime by x%
b. Improve Palma national income inequality measure pre- and post-tax[73] by x%, disaggregated by gender, social group and region
c. Improve taxes on wage income vs. capital gains income by x%
d. Ensure that the lowest tax threshold is above the relative poverty line

TARGET 4: Improve redistributive capacities to progressively reduce disparities in the enjoyment of human rights by all socio-economic groups, between women and men, in all regions.

Illustrative indicators and benchmarks:

a. Improve Palma national income inequality measure pre- and post-social transfers by x%, disaggregated by gender, social group and region

b. Improve by x% public expenditure on sustainable development goals, improving on existing minimum spending benchmark commitments for each goal, disaggregated by gender, social group and region
c. Improve to 100% the share of tax and budget laws and policies subject to periodic, participatory gender equality analyses, and public expenditure tracking, especially as they impact poor women
d. Improve to 100% the share of tax and budget laws and policies subject to periodic, participatory human rights analyses and public expenditure tracking
e. Improve performance and accountability of public financial management scores by x% Decrease by x% the reported rates of corruption in basic public services and social policies, disaggregated by gender, social group and region
f. Enhance public satisfaction with service delivery by x%

Fostering accountable fiscal governance for sustainable development

TARGET 5: Ensure the rights to information and participation of all people, without exclusion or discrimination, in the design, implementation, financing and monitoring of public policies.[74]

Illustrative indicators and benchmarks:

a. Improve to 100% the share of government tax laws (including tax exemptions), budget policies, public procurement, social service delivery information and corporate lobbying activities made publicly available in a common, open, machine-readable, detailed, timely and accessible standard
b. Improve budget openness by x%
c. Improve to 100% the share of large companies publishing independently-verified, integrated reporting of impact on human rights and sustainable development, including profits, tax and royalty payments on a country-by-country and project-by-project basis, full transparency in public procurement, corporate political donations and lobbying activities
d. Boost the provision of sufficient political and financial support to ensure effective participation of the population in all phases of fiscal policy cycle, at all levels from local to global
e. Enhance civil society space and enabling environment
f. Increase the share of proposals from civil society and developing country governments implemented in national and inter-governmental processes and bodies determining tax reforms, e.g. OECD BEPS process
g. By 2020, establish a national public commission in every country that will assess and report on the effects of national inequalities[75]

TARGET 6: Guarantee public and judicial oversight over the generation and use of public resources.[76]

Illustrative indicators and benchmarks:

a. Improve to 100% the share of government tax laws, budget policies, public procurement and social service delivery subject to public and judicial oversight and review

b. Equal effective access for all to independent and responsive justice systems by all, in particular people living in poverty, disaggregated by gender, social group and region
c. Existence of an independent audit agency or other oversight body which carries out regular audits that are published in full
d. Enhance the effectiveness of administrative or judicial means of complaint and remedy if human rights standards are violated, disaggregated by gender, social group and region
e. Improve by x% the level of implementation and enforcement of judicial decisions, in particular for tax fraud and tax evasion
f. Enhance the perception of fairness and equity of fiscal policy and tax morale, disaggregated by gender, social group and region

B. Proposals on data and monitoring for a post-2015 fiscal revolution

Data for a post-2015 fiscal revolution

As clearly illustrated in these proposals, a post-2015 fiscal revolution requires a significant boost in data capacities to develop better availability and quality of information through improving statistical capacities to monitor fiscal policy's impact on people's lives. The post-2015 "data revolution"—representing a broad consensus that more and better data and statistical capacities are needed to underpin the sustainable development process and outcomes[77] —could be a powerful boost to the availability and accessibility of open, reliable data on fiscal and financial information within and between countries. This could help to infuse more transparency into often overly-complex, opaque decision-making processes. More importantly perhaps, a fiscal data revolution will help to expose the hidden injustices buried in the way fiscal policies are conducted, and who truly benefits from them. A post-2015 fiscal revolution would be strengthened by improved availability, accessibility, disaggregation and quality of the following fiscal and financial data, all in an open data and machine-readable format:

Domestically:

i. Comparable, reliable data sources for every country are needed for each of the indicator areas above, in open and machine-readable formats. Currently, country coverage is patchy at best.

ii. Alongside expenditure, household surveys should better capture the distribution of effective income and capital, especially provided by high-net wealth families. Intra-household data is also needed to better understand the gender impacts of fiscal policies.

iii. A consensus tax effort (potential tax revenue vs. actual tax revenue) methodology should be agreed on, including efforts to tackle illicit financial flows, and be tabulated for all countries.

iv. Full disclosure of the purpose, duration, and intended beneficiaries of tax expenditures and exemptions is essential.

v. Data on the actual effects of fiscal policy on socio-economic inequality, in particular gender and economic inequality, should be strengthened, along the lines of the Commitment to Equity Index, the OECD and EuroStat data.

vi. Full transparency on the fiscal costs and sustainable development benefits of tax expenditures is imperative.

vii. The Open Budget Index should be strengthened and supported politically and financially.

viii. The different regional barometers' data on perception of fairness of tax and fiscal policy needs to be made comparable across regions.

Globally:

Provision of accurate data on public revenues lost from offshore non-compliance represents a significant challenge. The following measures would greatly improve our understanding of the problem, and thus how best to solve it.

ix. Complementing national efforts, reliable data on the global distribution of financial assets is needed, in particular those assets unrecorded offshore.

x. Public recording of true beneficial owners of capital assets should be developed, with sanctions for failures to report.

xi. Public reporting of key micro-data on transnational corporations needs to be broken down on a country by country basis, so a true picture of activities both globally and nationally can be seen.

xii. Data on the scale and volume of automatic information exchange needs to be available to evaluate the effectiveness of international efforts to combat tax evasion

Monitoring and accountability for a post-2015 fiscal revolution

The promise of the post-2015 sustainable development agenda does not lie solely in the creation of new international aspirations, but also in providing commonly-agreed benchmarks to hold governments accountable for their conduct from the local to the global. Thus, SDG success will hinge on the proper working of a robust yet agile accountability infrastructure which holds different development actors to account according to their differentiated responsibilities.

At present, UN member states are beginning to discuss approaches to monitoring, review and accountability under the post-2015 development agenda. Rather than one silver-bullet solution, a pronounced effort to strengthen a web of accountability at the global, regional, national and local levels, building on existing mechanisms, can ensure that all governments, international institutions and the private sector are held answerable to their respective commitments, and that remedial action is taken where delivery fails. Lessons learned in rendering development accountable to human rights standards would suggest several concrete proposals as related to a fiscal revolution:[78]

Domestically:

i. Assessments of budget expenditure and allocation, as well as tax and revenue generation efforts, should be included in all post-2015 monitoring, review and accountability mechanisms, as well as in national 'sustainable development plans,' subject to ex ante and ex post facto review and participation by civil society.

ii. Given the historic opacity in the fiscal arenas, specific measures should be enacted to build the capacity of all people—including civil society, journalists, parliamentarians--to understand their country's fiscal policy options, and to engage in inclusive participatory mechanisms to collectively determine their fiscal future.

iii. Accessible channels for accountability and remedy over human rights impacts of fiscal policy should also be improved, including by strengthening the capacity of the judicial system and national human rights institutions to scrutinize fiscal policy from a human rights perspective and provide access to remedies in cases of human rights deprivations resulting from fiscal injustices.

Internationally:

iv. Constructive interaction and meaningful information exchange should be ensured between the international human rights protection regime (including the UN human rights treaty-monitoring bodies, the Un Human Rights Council´s Universal Periodic Review and special procedures, regional human rights commissions and courts, etc.) on one hand and the post-2015 monitoring and accountability mechanisms on the other.

v. The new sustainable development framework must serve to hold wealthier states – and the international financial institutions they dominate - more accountable for the extraterritorial human rights impacts of their policies in such areas as trade, aid, tax and investment. Consideration of policy coherence and the extraterritorial effects of fiscal laws and policies, including financial secrecy laws, could be embedded in any review process and placed under consideration in any accountability mechanism. This should include independent assessments of the degree to which laws or policies on trade, debt, tax, corporate accountability, fiscal, monetary, financial, environmental and investment matters effectively sustain or undermine the achievement of human rights and future sustainable development goals.

C. Proposals on Financing for Sustainable Development

A post-2015 fiscal revolution could be significantly advanced through various inter-governmental processes in the lead-up to the third international conference on financing for development. The Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), for example, is mandated to propose a menu of options on an effective sustainable development financing strategy "to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives."[79] The closed-door nature of this body has prevented civil society and many governments from understanding the precise issues under debate in this body, so it is difficult to provide targeted proposals. No matter what menu of options this Committee presents in its final report, UN member states and international institutions will need to double-down on democratic and meaningful multilateral co-operation to promote a post-2015 fiscal revolution. A variety of actions could get us on the track toward this aim:

i. Clarify that public resourcing, especially progressive fiscal policy supported by international cooperation, is central for financing sustainable development and human rights commitments, rather than merely complementary to private financing sources.

ii. Establish clear ex ante criteria for private partnerships in sustainable development to prevent any conflicts of interest and prevent any private donors from joining UN partnerships whose activities are potentially antithetical to the UN Charter, the Universal Declaration of Human Rights, and the SDG framework.[80]

iii. Re-focus attention and political will towards implementing innovative public financing mechanisms for sustainable development, which as described above have a still un-tapped potential to provide more sufficient, equitable and accountable resources for sustainable development. The range of options to be explored include:[81]

   a. Full recovery of stolen assets to developing countries
   b. Tax illicit financial flows
   c. Cease harmful corporate income tax expenditures (holidays, exemptions, etc.)
   d. Progressively redirect fossil fuel subsidies to climate finance and sustainable development, while ensuring a social protection floor for those who could be pushed into poverty as a result.
   e. Implement a financial transaction tax in all major financial sectors
   f. Implement standing aid commitments
   g. Tax carbon emissions, and devote proceeds to climate change mitigation and adaptation in countries most affected
   h. Implement a 'Sustainable Development Solidarity' progressive capital tax
   i. Invest 10% of total military expenditure into sustainable development
   j. Cancel odious foreign debts and provide for orderly, efficient, fair and timely restructuring through a sovereign debt audit and workout mechanism
   k. Issue new Special Drawing Rights

iv. Promote universal participation and developing country decision-making in international processes to change global tax norms, and embrace the active and meaningful involvement participation of civil society organizations.

v. Transform the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental organ, and provide needed political and financial support.

vi. Boost pressure for adequate regulation of international financial markets to prevent and mitigate future financial crises and ensure public financial resources are preserved when they occur.

vii. Promote integrated spillover analyses of all major tax reforms, examining the economic, social, environmental and human rights cross-border impacts of all countries' fiscal and monetary policies.

viii. Support improved transparent, participatory and accountable fiscal governance as a lynchpin for the equitable mobilization of resources and their effective use.

Appendix: Proposed SDG targets, illustrative indicators and sample of data sources

The many obstacles and opportunities to a fiscal revolution could be partly addressed through a concrete set of targets and indicators at the heart of Sustainable Development Goals. Fiscal and financial data gaps for many of these indicators are deep and wide, but by no means insurmountable. The sources listed here are only a sample of what's readily available, each with its own particular flaws. For this reason, we've developed a living, working online mapping of fiscal justice targets, indicators, data sources and data needs. [ii]

TARGET 1: Raise sufficient public resources to finance high quality essential services for all.

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Commit to a universal domestic resource floor of 20% tax/GDP by 2020, and 25% by 2030.	WB World Development Indicators	
	OECD	
	Eurostat	
Increase potential vs. actual tax revenue (tax effort) by x%	IMF, others.	Current methodologies vary.
Boost capacity of public revenue authorities	Tax Administration Diagnostic Assessment Tool Scores	A new methodology to be tested.

TARGET 2: End cross-border tax evasion, return stolen assets, forgive odious debt and progressively combat tax abuses.

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Beneficial ownership: Improve to 100% the share of companies (and legal arrangements including trusts and foundations) for which beneficial ownership is known and publically registered (intermediate indicator)	Financial Action Task Force (FATF)	
	Open Company Data Index	
	Financial Secrecy Index	

ii A living, working online mapping of fiscal justice targets, indicators, data sources and data needs can be found at the following address: https://docs.google.com/spreadsheets/d/1I8CpMyPIc5urleFA9-UDe68F_ks113bp0i5JHF3NU0w/edit?usp=sharing. We encourage you to get involved by suggesting of other indicators and/or data sources to post2015.fiscalrevolution@gmail.com.

Tax information exchange: Improve to 100% the share of international trade and recorded financial flows that takes place between jurisdictions with automatic exchange of tax information, as well as the number of countries covered by automatic information exchange (intermediate indicator)	OECD Global Forum on Information Exchange	
	Financial Secrecy Index	
Decrease the volumes of illicit financial flows by x%	Global Financial Integrity	Only information for developing countries at the moment.
Coordinated global adoption of rules to combat tax avoidance (e.g. withholding rules)		
Decrease overall financial secrecy by x%	Financial Secrecy Index	
Improve to 100% the share of stolen assets returned to source country	World Bank Stolen Asset Recovery Programme	
Improve to 100% the share of volumes of odious debt forgiven		
All countries conducting spillover analyses of impact of fiscal policies on human rights and sustainable development, particularly in developing countries		
Existence of collective sanctions for private and public actors refusing to cooperate on tax matters		

Ensuring equality in the burdens and benefits of sustainable development financing

TARGET 3: Reduce economic inequality within countries through enhanced use of progressive taxation on income and wealth.

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Improve progressivity of tax regime by x%		A common methodology is needed.
Improve Palma national income inequality measure pre- and post-tax[83] by x%, disaggregated by gender, social group and region	Commitment to Equity Index	
	OECD	
	WB World Development Indicators	
Improve taxes on wage income vs. capital gains income by x%	OECD	

Ensure that the lowest tax threshold is above the relative poverty line	OECD	

TARGET 4: **Improve redistributive capacities to progressively reduce disparities in the enjoyment of human rights by all socio-economic groups, between women and men, in all regions.**

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Improve Palma national income inequality measure pre- and post-social transfers by x%, disaggregated by gender, social group and region	Commitment to Equity Index	
	OECD	
	WB World Development Indicators	
Improve by x% public expenditure on sustainable development goals, improving on existing minimum spending benchmark commitments for each goal, disaggregated by gender, social group and region	WB World Development Indicators	For example, many governments have already committed to spending. 6% GNP and 20% of public expenditure on education.
	WB Open Budgets Portal	Few countries tracked as yet.
Improve to 100% the share of tax and budget laws and policies subject to periodic, participatory gender equality analyses, and public expenditure tracking, especially as they impact poor women		
Improve to 100% the share of tax and budget laws and policies subject to periodic, participatory human rights analyses and public expenditure tracking		
Improve performance and accountability of public financial management scores by x%	Public Expenditure and Financial Accountability assessment portal	
Decrease by x% the reported rates of corruption in basic public services and social policies, disaggregated by gender, social group and region	Transparency International Global Corruption Barometer and Corruption Perceptions Index	
	The World Justice Project (absence of corruption)	
	WB Worldwide Governance Indicators (control of corruption)	
Enhance public satisfaction with service delivery by x%	World Bank Service Delivery Indicators	Only four countries so far.

Fostering accountable fiscal governance for sustainable development

TARGET 5: Ensure the rights to information and participation of all people, without exclusion or discrimination, in the design, implementation, financing and monitoring of public policies.

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Improve to 100% the share of government tax laws (including tax exemptions), budget policies, public procurement, social service delivery information and corporate lobbying activities made publicly available in a common, open, machine-readable, detailed, timely and accessible standard	Open Budget Index	
Improve budget openness by x%	Open Budget Index	
Improve to 100% the share of large companies publishing independently-verified, integrated reporting of impact on human rights and sustainable development, including profits, tax and royalty payments on a country-by-country and project-by-project basis, full transparency in public procurement, corporate political donations and lobbying activities		
Boost the provision of sufficient political and financial support to ensure effective participation of the population in all phases of fiscal policy cycle, at all levels from local to global		
Enhance civil society space and enabling environment	Enabling Environment Index	
Increase the share of proposals from civil society and developing country governments implemented in national and inter-governmental processes and bodies determining tax reforms		
By 2020, establish a national public commission in every country that will assess and report on the effects of national inequalities.		

TARGET 6: Guarantee public and judicial oversight over the generation and use of public resources.

BASKET OF ILLUSTRATIVE INDICATORS	SAMPLE OF DATA SOURCES	NOTE
Improve to 100% the share of government tax laws, budget policies, public procurement and social service delivery subject to public and judicial oversight and review	Open Budget Survey	

Equal effective access to independent and responsive justice systems by all, in particular people living in poverty	European Commission for the Efficiency of Justice (Europe only)	
	The World Justice Project Rule of Law Index	
Existence of an independent audit agency or other oversight body which carries out regular audits that are published in full	Open Budget Survey	
Enhance the effectiveness of administrative or judicial means of complaint and remedy if human rights standards are violated, disaggregated by gender, social group and region		
Improve by x% the level of implementation and enforcement of judicial decisions, in particular for tax fraud and tax evasion		
Enhance the perception of fairness and equity of fiscal policy and tax morale, disaggregated by gender, social group and region	Regional Barometers e.g. Latinobarómetro Afrobarometer, Eurobarometer	Comparability of these different measures of perception of fairness and equity of fiscal policy will need to be ensured.

1. UNESCO, 'Education for All is affordable – by 2015 and beyond', Education for All Global Monitoring Report 2013:Policy Paper 06 (February 2013)
2. R. Greenhill and A. Ali, 'Paying for Progress: How will emerging post-2015 goals be financed in the new aid landscape?' (2013) ODI Working Paper 366.
3. L. Chandy, N. Ledlie, and V. Penciakova, 'The Final Countdown: Prospects for Ending Extreme Poverty by 2030,'Global Views Policy Paper 2013-04 (2013), Brookings Institution.
4. V. Atisophon (et al.), 'Revisiting MDG Cost Estimates from a Domestic Resource Mobilisation Perspective,' Working Paper No. 306 (2012), OECD, p. 12.
5. UN System Task Team on the Post-2015 UN Development Agenda Working Group, 'Financing for sustainable development: Review of global investment requirement estimates' (October 2013) at http://sustainabledevelopment.un.org/content/documents/2096Chapter%201-global%20investment%20requirement%20estimates.pdf
6. World Bank, 'Financing for Development Post-2015 ' (October 2013) at: http://www.worldbank.org/content/dam/Worldbank/document/Poverty%20documents/WB-PREM%20financing-for-development-pub-10-11-13web.pdf
7. See, for example, Hiroto Arakaw, et al. 'Paying for Zero: Global Development Finance and the Post-2015 Agenda' (March 3, 2014) at http://www3.weforum.org/docs/GAC/2014/WEF_GAC_PovertySustainableDevelopment_GlobalDevelopmentFinance_Paper_2014.pdf
8. It is estimated that just 90 large companies alone have contributed nearly two-thirds of man-made carbon emissions. See R. Heede, 'Tracing anthropogenic carbon dioxide and methane emissions to fossil fuel and cement producers, 1854–2010,' Climatic Change, Vol. 122: Issue 1-2 (2014), 229-241, pp.230.
9. G. Zucman, 'The Missing Wealth of Nations: Evidence From Switzerland, 1914-2010,' Working Paper N° 2011 – 07 (2011), Paris-Jourdan Sciences Economiques at: http://halshs.archives-ouvertes.fr/docs/00/56/52/24/PDF/wp201107.pdf
10. European Parliament, 'Financing for Development Post-2015: Improving the Contribution of Private Finance,' (2014), p. 12 at: http://www.eurodad.org/files/pdf/5346a6b10e9a4.pdf
11. For an apt definition of a capable state, see UN Millennium Campaign and the UNDP Regional Service Centre in Africa, 'Structural Transformation and the Challenge of Financing Africa's post-2015 Development Agenda,' (2013), p.13: 'A capable state is, among others, one that has strong and well-

resourced institutions, including those that design and implement effective regulatory systems that guide trade and finance (private and public) into development impacts. A capable state is also one that has strong legitimacy among its people through the services it provides, including the rule of law, peace and security. A capable state regulates the economy so as to redirect incentives in favour of value-added activities as opposed to un-productive rent-seeking ones and in this process the economy becomes more balanced, more resilient and more competitive...A capable state is essential for the mobilisation of tax revenues, for counter-cyclical macroeconomic policies to protect growth and wellbeing in times of economic downturns and for the proper regulation of capital flows for development."

12. See IMF, 'Fiscal Policy and Income Inequality,' IMF Policy Papers (January 2014) at: http://www.imf.org/external/np/pp/eng/2014/012314.pdf
13. The nine core international human rights treaties, in order of their date of adoption by the UN, are: the International Convention on the Elimination of Racial Discrimination (1965), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic. Social and Cultural Rights (1966), the Convention on the Elimination of All Forms of Discrimination against Women (1979), the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment(1984), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (1990), the International Convention on the Protection of All Persons from Enforced Disappearance (2006), and the Convention on the Rights of Persons with Disabilities (2006). These treaties are supplemented by several Optional Protocols. These treaties and the status of their ratification by states can be found at OHCHR: The Core International Human Rights Instruments, at: http://www.ohchr.org/EN/ProfessionalInterest/Pages/CoreInstruments.aspx
14. See Official Report of the UN Special Rapporteur on Extreme Poverty and Human Rights, Ms. Magdalena Sepúlveda Carmona on human rights and tax policy, (forthcoming June, 2014) A/HRC/26/28; I. Saiz, 'Resourcing Rights,' in A. Nolan, Public Finance and Human Rights: budgets and the promotion of economic and social rights, (Hart Publishing, Oxford, 2013) at http://cesr.org/downloads/resourcing.rights.ignacio.saiz.2013.pdf
15. See Official Report of the UN Special Rapporteur on Extreme Poverty and Human Rights, Ms. Magdalena Sepúlveda Carmona on human rights and tax policy, (forthcoming June, 2014) A/HRC/26/28; A. Christians, 'Fair Taxation as a Basic Human Right,' Legal Studies Research Paper Series, University of Wisconsin Law School, Paper No. 1066, (2009), p.p. 3 -4 at ssrn.com/abstract=1272446.
16. UNDP, 'What Will It Take To Achieve the Millennium Development Goals? An International Assessment,'(June 2010), p..26. at: http://content.undp.org/go/cms-service/stream/asset/?asset_id=2620072.
17. World Bank, 'Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan,' p. 9. Drawn from 2007 estimates.
18. V. FitzGerald, 'International Tax Cooperation and Innovative Development Finance,' Queen Elizabeth House Working Paper Series, QEHWP 196 (2012), Oxford University, p. 8. Fitzgerald's $692bn figure is global, with just over $210bn from developing countries. Drawn from 2012 estimates.
19. CESR/CA's estimate using Action Aid, 'Give us a break: How big companies are getting tax-free deals,' (2013), p. 8 at: http://www.actionaid.org/sites/files/actionaid/give_us_a_break_-_how_big_companies_are_getting_tax-free_deals_2.pdf This study uses average statutory corporate income tax exemptions in 16 countries as a basis for estimating revenues forgone due to corporate tax exemptions across developing countries. For the purposes of arriving at dollar sums, we take as an estimate based on experience that an even half of these exemptions could be cut without causing social, economic nor environmental harms.
20. Originally compiled by Share The World's Resources, 'Financing the Global Sharing Economy' (Oct. 2012) This study uses primarily 2011/12 data from various sources, namely International Energy Association, World Energy Outlook 2011. The total amounts is broken down as follows: $173bn = $100bn producer subsidies (Source: The Global Subsidies Initiative, Achieving the G-20 Call to Phase Out Subsidies to Fossil Fuels, Policy Brief, October 2009) + $51bn immediate reduction in consumer subsidies (Source: IEA, World Energy Outlook 2011) + $22bn biofuels (Source: IEA, World Energy Outlook 2011, p. 508.). Assuming an average of $409bn annually is spent on consumer subsidies, as per current estimates, then a gradual phasing out of these subsidies by 2020 would reduce this amount by $51bn over 8 years. This means that $51bn would be saved in 2012, $102bn in 2013, $153bn in 2014, etc., until $409bn is saved in 2020.
21. Based on T. Piketty, Capital in 21st Century, (Harvard University Press, Cambridge, 2014), p. 518. Note that a global 'SD solidarity' capital tax would present much higher sums. Note that the title of "Sustainable

Development Solidarity" tax is CESR/CA's. Pikketty's proposal suggests a progressive tax on all capital (property and financial assets) of 0 percent below 1 million Euros, 1 percent between 1 and 5 million Euros and 2 percent above 5 million Euros. This would complement existing capital taxes, with the main purpose being to drive transparency and regulation, not revenue generation. Even so, if implemented EU-wide, it is estimated to deliver 3% points of GNI. For the full tabulation, see T. Piketty, Chapter16 Figures," at http://piketty.pse.ens.fr/files/capital21c/en/Piketty2014FiguresTables.zip

22. Leading Group, 'Globalizing Solidarity: The Case for Financial Levies', Report of the Committee of Experts to the Taskforce on International Financial Transactions and Development. (2010). The amounts differ greatly depending on how and what rate the derivatives are taxed.

23. UNDESA, World Economic and Social Survey 2012. In Search of New Development Finance. (2012) at: http://www.un.org/en/development/desa/policy/wess/wess_current/2012wess.pdf A tax of $25 per ton of CO2 emissions by developed countries, using 2012 data.

24. UNDESA, World Economic and Social Survey 2012. In Search of New Development Finance, (2012) at: http://www.un.org/en/development/desa/policy/wess/wess_current/2012wess.pdf This assumes a small tax of a "basis point" (.005 per cent) on all trading in the four major currencies (dollar, euro, yen and pound sterling), using 2012 data.

25. Calculations based on OECD Official Development Aid figures for 2011 when donor countries gave a total of $133.5bn in ODA, equal to 0.31% of combined GNI of DAC member countries. If the 0.7% of GNI target had been met, total ODA would have reached $301bn.

26. A tenth of the $1,738bn spent on the military worldwide in 2011, spread out over 15 years (2015-2030). See SIPRI Yearbook 2012 at: http://www.sipri.org/yearbook/2012.

27. Odious debt can be defined as debts contracted and spent against the interests of the population of a State, without its consent, and with full awareness of the creditor of that fact. Robust, up-to-date odious debt figures do not exist, but one study estimates it at over $735bn, which is averaged out over 15 years (2015-2030) here. See J. Hanlon, '"Illegitimate" Loans: lenders, not borrowers, are responsible', Third World Quarterly, Vol. 27, No. 2,(2006), 211-226, using 2005 data.

28. Special Drawing Rights are an international reserve asset, created by the IMF as potential claim on the freely usable currencies of IMF members to supplement member countries' official reserves. UNDESA, supra note 24; see higher estimate of $390bn in J. Stiglitz, "The best alternative to a new global currency," in The Financial Times, March 31, 2011.

29. See, for example, Christian Aid and Tax Justice Network Africa, 'Africa Rising? Inequalities and the essential role of fair taxation,' (February 2014), p.27, at http://www.christianaid.org.uk/images/Africa-tax-and-inequality-report-Feb2014.pdf; D. Itriago, Intermón, 'Owning Development: Taxation to fight poverty,' Oxfam (September 2011), at: http://policy-practice.oxfam.org.uk/publications/owning-development-taxation-to-fight-poverty-142970

30. It is impossible at present to estimate regional or global costs of tax expenditures, but they are likely significant. One estimate suggests $138bn is lost per year to statutory corporate income tax exemptions alone. See Action Aid, 'Give us a break: How big companies are getting tax-free deals,' (June 2013), p. 8, at: http://www.actionaid.org/sites/files/actionaid/give_us_a_break_-_how_big_companies_are_getting_tax-free_deals_2.pdf; Meanwhile, tax expenditures equaled 4.3% of Tanzania's GDP, 6.13% of Ghana's, and perhaps 10% of Burundi's. See respectively Katrina Manson, 'Tanzania faces tax exemptions dilemma,' Financial Times, June 2013, OECD estimation based on the data provided by the Ghana Ministry of Finance and Economic Planning (MoFEP); and The North-South Institute, 'Domestic Resource Mobilization in Africa: Burundi,' (2010), available at: http://r4d.dfid.gov.uk/PDF/Outputs/ProPoor_RPC/60667_Burundi_Project_Brief.pdf

31. A. Corbacho (et al.), More than Revenue: Taxation as a Development Tool (Pallgrave-Macmillan, IADB Washington D.C., 2013), p. 10: "Tax fraud is well defined in Latin American legislation, but judgments are almost nonexistent....On average, in every country in Latin America only three judgments for tax evasion are handed down annually..."

32. See IMF, 'Fiscal Monitor. Taxing Times,' (October 2013), available at: http://www.imf.org/external/pubs/ft/fm/2013/02/pdf/fm1302.pdf ; Pikkety supra; A. Corbacho (et al.), More than Revenue: Taxation as a Development Tool (Pallgrave-Macmillan, IADB Washington D.C., 2013).

33. International Covenant on Economic, Social and Cultural Rights (ICESCR) Article 2(1). See also Convention on the Rights of the Child (CRC) Article .4, Convention on the Rights of People with Disabilities (CRPD) Article 4.2. For further clarification on the scope of this obligation, see UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No 3, para. 10, and An Evaluation of the Obligation to Take Steps to the Maximum of Available Resources under an Optional Protocol to the Covenant¨, May 2007. at: http://www2.ohchr.org/english/bodies/cescr/

docs/statements/Obligationtotakesteps-2007.pdf

34. See CESCR General Comment No. 3 para. 9; Official Report of the UN Special Rapporteur on Extreme Poverty and Human Rights supra, p. 7; R. Balakrishnan, D. Elson, J. Heintz, N. Lusiani, 'Maximum Available Resources & Human Rights: Analytical Report', Center for Women's Global Leadership, Rutgers University, (June 2011), at: http://www.cwgl.rutgers.edu/economic-a-social-rights/380-maximum-available-resources-a-human-rights-analytical-report-

35. See CESCR General Comment No. 3 para. 9. Also CESCR, General Comments No. 13, para. 45, No. 14, para. 32, No. 15, para. 19, No. 17, para. 27, No. 18, para. 34, No. 19, para. 42 and No. 21, para. 65; CESCR, Letter to States Parties dated 16 May 2012, Reference CESCR/48th/SP/MAB/SW.

36. D. Kar and B. Le Blanc, 'Illicit Financial Flows from Developing Countries: 2002-2011,' Global Financial Integrity (December 2013), at: http://iff.gfintegrity.org/iff2013/Illicit_Financial_Flows_from_Developing_Countries_2002-2011-HighRes.pdf

37. See N. Lusiani, '"Only the Little People Pay Taxes": Tax Evasion and Switzerland's Extraterritorial Obligations to Economic, Social and Cultural Rights in Zambia' in M. Gibney and W. Vandenhole, Litigating Transnational Human Rights Obligations: Alternative judgments (Routledge Press, 2014)

38. T. Baunsgaard, and M. Keen, 'Tax revenue and (or?) trade liberalization,' IMF Working Paper WP/05/112 (2005).

39. See S. R. Avi-Yonah, Globalization, 'Tax Competition and the Fiscal Crisis of the Welfare State', Harvard Law Review , Vol. 113 (2000), 1573-1676, p.1631-1641, who contributes the increased ability of both individuals and corporations to earn income overseas free of income taxation over the long-term to a) the effective end of withholding taxation by developed countries and b) the rise of production tax havens in developing countries.

40. IMF Fiscal Monitor , supra 32, p. 33: "Tax competition can simply result in tax rates ending up too low. In the limit, all countries could be left with perfectly aligned tax rates and territorial base and no compliance problems. There would then be no revenue loss from base erosion or profit shifting and no distortion of real decisions—but there would still be a social loss suffered, since effective tax rates would be below the levels to which a collective decision would have led."

41. KPMG International, 'Corporate and Indirect Tax Rate Survey', (September 2010), at: http://www.kpmg.com/global/en/issuesandinsights/articlespublications/pages/corporate-indirect-tax-rate-survey.aspx

42. S. R. Avi-Yonah, supra, p. 1636.

43. On the obligations of international cooperation and assistance, see inter alia UN Charter, Article 55 and 56; ICESCR Arts. 2.1 and 11.1; Convention on the Rights of the Child, Article 4; Declaration on the Right to Development, Articles 3.1, 3.2, 3.3 and 4.2; Vienna Declaration and Programme of Action, Articles 1, 4, 10, and 11; See also OHCHR Comprehensive Study on the Negative Impact of the Non-Repatriation of Funds of Illicit Origin to the Countries of Origin on the Enjoyment of Human Rights, in Particular Economic, Social and Cultural Rights, (14 December 2011), A/HRC/19/42.

44. See Maastricht Principles on Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights (28 September 2011), , at: http://www.icj.org/wp-content/uploads/2012/12/HRQMaastricht-Maastricht-Principles-on-ETO.pdf. See also Guiding Principles on Extreme Poverty and Human Rights ("Guiding Principles on Poverty"), Human Rights Council resolution 21/11 (2012) para. 92

45. See Maastricht Principles on Extraterritorial Obligations of States, Article 29.

46. See Guiding Principles on Poverty para.92; Maastricht Principles, Article 21; International Bar Association's Human Rights Institute (IBAHRI), 'Tax Abuses, Poverty and Human Rights,' (October 2013), available at http://www.ibanet.org/Article/Detail.aspx?ArticleUid=4A0CF930-A0D1-4784-8D09-F588DCDDFEA4

47. The IMF, OECD, UN and World Bank have already recommended that 'spillover analyses' of tax policies should be conducted by developed countries. See IMF, OECD, UN and World Bank, 'Supporting the development of more effective tax systems, Report to the G20 Development Working Group,' (2011), at: http://www.imf.org/external/np/g20/pdf/110311.pdf. An IMF paper is forthcoming on the subject, but is limited to economic spillovers, not human rights impacts.

48. A. Corbacho (et al.), 'More than Revenue: Taxation as a development tool,' supra note 31.

49. E. Seery, 'Working For the Many: Public services fight inequality,' Oxfam (April 2014), available at: http://www.oxfam.org/en/policy/working-for-the-many-public-services-fight-inequality

50. See for example UN Women, 'Tracking Investments,' at http://www.unwomen.org/en/what-we-do/governance-and-national-planning/tracking-investments; S. Seguino, 'Financing for Gender Equality: Reframing

and Prioritizing Public Expenditures'(2013) at: http://www.gender-budgets.org/index.php?option=com_joomdoc&view=documents&path=suggested-readings/seguino-s-paper&Itemid=587

51. N. Prasad, 'Policies for redistribution: The uses of taxes and social transfers,' International Institute for Labour Studies (2008), p. 27.
52. S. Seguino, 'Financing for Gender Equality: Reframing and Prioritizing Public Expenditures'(2013) at: http://www.gender-budgets.org/index.php?option=com_joomdoc&view=documents&path=suggested-readings/seguino-s-paper&Itemid=587
53. IMF Fiscal Monitor, supra note 32.
54. IMF, 'Policy Paper Fiscal Policy and Income Inequality,' (January 2014), p. 37, 40, at: http://www.imf.org/external/np/pp/eng/2014/012314.pdf
55. I. Ortiz and M. Cummins, 'The Age of Austerity: A Review of Public Expenditures and Adjustment Measures in 181 Countries,' Initiative for Policy Dialogue and South Centre (March 2013).
56. See CESCR General Comment 20 paras. 8 and 39.
57. See CESCR General Comment 20 paras. 10 and 35, which describe economic status as a protected group under the Covenant.
58. See e.g., CEDAW, Article 4(1); CERD, Article 2(2); HRC General Comment No. 18 para.10; CESCR, General Comment No. 20 para. 39.
59. See Official report of the UN Special Rapporteur on Extreme Poverty and Human Rights, Ms. Magdalena Sepúlveda Carmona on human rights and tax policy, A/HRC/26/28 (forthcoming June, 2014), para. 17.
60. For example, transparent budgets have been found to be statistically significant predictors of child and infant health outcomes and access to improved drinking water. See S. Fakuda Parr, 'Budget Transparency and Development Outcomes and Rights; Participatory budgeting programs in Brazil, ' IBP Working Paper 4 (December 2011) Levels of budget transparency, meanwhile, were also strongly correlated with health care spending, increases and decreases in infant mortality rates; M. Touchton and B. Wampler, 'Improving Social Well-Being Through New Democratic Institutions, December 27, 2013,' Comparative Political Studies (December 2013), at: http://cps.sagepub.com/content/early/2013/12/27/0010414013512601.abstract.
61. The right to an effective remedy for violations of human rights is enshrined in article 8 of the Universal Declaration of Human Rights and codified in a range of international treaties which subsequently flow from it, including the ICCPR Art. 2 (3); the Convention against Torture and other Forms of Cruel, Inhuman or Degrading Treatment or Punishment (Arts. 13 and 14); the International Convention on the Elimination of All Forms of Racial Discrimination (Article 6); the Convention on the Rights of the Child (Art. 39); the American Convention on Human Rights (Arts 25 and 63 (1)); the African Charter on Human and Peoples' Rights (Art. 7(1)(a)); the Arab Charter on Human Rights (Arts. 12 and 23); the European Convention on Human Rights (Arts. 5 (5), 13 and 41); the Charter of Fundamental Rights of the EU (Art. 47); and the Vienna Declaration and Program of Action (Art. 27). While the ICESCR makes no express provision regarding remedy, the Committee on Economic, Social and Cultural Rights has reaffirmed on numerous occasions that an obligation to provide remedies is inherent in the Covenant. See also General Assembly resolution 60/147, "Basic principles and guidelines on the right to a remedy and reparation for victims of gross violations of international human rights law and serious violations of international humanitarian law" (2005) which pertains to all violations, not only gross violations.
62. See Official Report of the UN Special Rapporteur on Extreme Poverty, supra, para. 23.
63. International Bar Association's Human Rights Institute, supra.
64. UN Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework, (A/HRC/17/31); See also Maastricht Guidelines on Violations of Economic, Social and Cultural Rights, Maastricht, January 22-26, 1997
65. Maastricht Principles on Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights Arts. 24-25; International Bar Association's Human Rights Institute supra 45.
66. See UN Secretary General, 'A life of dignity for all' (Sept. 2013), A/68/202; 'Human Rights for All Post-2015' joint statement endorsed by over 350 organizations worldwide, adopted May 2013, at: http://www.post2015hlp.org/wp-content/uploads/2013/05/HRsForAllByAllStatement.may9_.pdf ; See also the recently released joint statement "OWG inches closer to human rights for all post-2015, but still a long road ahead" available at www.cesr.org.
67. See similar proposal in 'Open Working Group on Sustainable Development Goals Working Document for 5-9 May Session'('OWG 11'), at: http://sustainabledevelopment.un.org/content/documents/3686Workingdoc.pdf, Focus Area 15 o) "strengthen domestic resource mobilization, including by improving tax collection and the efficiency of public spending, reducing tax evasion and avoidance,

improving stolen asset recovery, and strengthening systems to harness domestic savings for investment" and p) "promote sustainable public procurement, including through national targets."

68. See very similar proposal in Save the Children, 'Framework for the Future: Ending Poverty in a Generation,' (April 2014) at http://www.savethechildren.org.uk/resources/online-library/framework-future

69. See somewhat similar proposal in OWG11, 16 e) 'by 2030 decrease by x% corruption in all its forms and illicit financial flows.'

70. See similar proposals in A. Cobham, 'Financing progress independently: taxation and illicit flows,' at http://www.developmentprogress.org/blog/2013/11/20/financing-progress-independently-taxation-and-illicit-flows

71. See similar proposals in A. Cobham, 'Financing progress independently: taxation and illicit flows,' at http://www.developmentprogress.org/blog/2013/11/20/financing-progress-independently-taxation-and-illicit-flows

72. Somewhat similar to M. Doyle and J.E. Stiglitz, 'Eliminating Extreme Inequality: A Sustainable Development Goal, 2015-2030', Ethics and International Affairs, Vol. 28 Issue 1 (2014), 5-13, pp. 10 who promote a commitment so that post-tax income of the top 10% is no more than the post-transfer income of the bottom 40%. For a discussion of the Palma income inequality measure, see A. Cobham and A. Sumner, 'Is It All About the Tails? The Palma Measure of Income Inequality,' Center for Global Development, Working Paper 343 (September 2013) at http://www.cgdev.org/sites/default/files/it-all-about-tails-palma-measure-income-inequality.pdf

73. See similar proposal in 'Governance and the Post-2015 development framework: a civil society proposal,' at: http://www.globalintegrity.org/wp-content/uploads/2014/01/CSO-position-on-Post-2015-and-governance-Jan-2014-hi-res-version1.pdf; See also OWG11, 16 d) "improve access to information on public finance management, public procurement and on the implementation of national development plans."

74. See M. Doyle and J.E. Stiglitz, 'Eliminating Extreme Inequality: A Sustainable Development Goal, 2015-2030', Ethics and International Affairs, Vol. 28 Issue 1 (2014), 5-13, pp. 10.

75. See somewhat similar proposal in OWG 11, 16 a) 'by 2030 develop effective, accountable and transparent institutions at all levels; b) by 2030 provide equal access to independent and responsive justice systems including related to property and tenure rights, employment, business, taxation, trade and finance; and c) by 2020 provide public services for all, including legal identity.

76. See, for example, 'A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development: A report of the High Level Panel of eminent persons on the Post-2015 Development Agenda (2013)

77. CESR and OHCHR, ' Who Will Be Accountable: Human Rights and the Post-2015 Development Agenda,' (2013), at: http://www.ohchr.org/Documents/Publications/WhoWillBeAccountable.pdf,

78. Modalities of work - Intergovernmental Committee of Experts on Sustainable Development Financing (Aug. 2013) at http://sustainabledevelopment.un.org/content/documents/1999FINAL%20Modalities%20of%20work-ICESDF-revised%2028%20August%202013-2.pdf

79. See Righting Finance, 'Co-Creating New Partnerships for Financing Sustainable Development,' statement adopted 3-4 April 2014, at: http://www.rightingfinance.org/wp-content/uploads/2014/04/Read-full-statement.pdf

80. These measures have been proposed by a variety of international organizations, development analysts and others. They are listed here as workable options CESR and CA believe merit serious consideration, but not as policy proposals necessarily endorsed by CESR and CA.

81. Somewhat similar to M. Doyle and J.E. Stiglitz, 'Eliminating Extreme Inequality: A Sustainable Development Goal, 2015-2030', Ethics and International Affairs, Vol. 28 Issue 1 (2014), 5-13, pp. 10 who promote a commitment so that post-tax income of the top 10% is no more than the post-transfer income of the bottom 40%. For a discussion of the Palma income inequality measure, see A. Cobham and A. Sumner, 'Is It All About the Tails? The Palma Measure of Income Inequality,' Center for Global Development, Working Paper 343 (September 2013) at http://www.cgdev.org/sites/default/files/it-all-about-tails-palma-measure-income-inequality.pdf

This policy briefing was written by Niko Lusiani, Director of the Human Rights in Economic Policy program at the Center for Economic and Social Rights (CESR), with significant contributions from Helen Dennis, Joe Stead (CA) and Ignacio Saiz, Gaby Oré Aguilar, Allison Corkery and Christiane Coste Cacho (CESR). The briefing benefited greatly from wise comments by Savitri Bisnath, Aldo Caliari, Alex Cobham, Sakiko Fakuda-Parr, David McNair, and Vera Mshana and an inspiring conversation on fiscal justice indicators with Deborah Itriago.

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Christian Aid works in some of the world's poorest communities in around 50 countries at any one time. We act where there is great need, regardless of religion, helping people to live a full life, free from poverty. We provide urgent, practical and effective assistance in tackling the root causes of poverty as well as its effects.

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About CESR

The Center for Economic and Social Rights (CESR) was established in 1993 with the mission to work for the recognition and enforcement of economic, social and cultural rights as a powerful tool for promoting social justice and human dignity. CESR exposes violations of economic, social and cultural rights through an interdisciplinary combination of legal and socio-economic analysis. CESR advocates for changes to economic and social policy at the international, national and local levels so as to ensure these comply with international human rights standards.

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