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UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

Politics of Domestic Resource Mobilization for Social Development

PROJECT PROPOSAL
UNRISD, GENEVA, SWITZERLAND

UNRISD is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work, we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

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Introduction

This project seeks to contribute to global debates on the political and institutional contexts that enable poor countries to mobilize domestic resources for social development. It examines the processes and mechanisms that connect the politics of resource mobilization and demands for social provision; changes in state-citizen and donor-recipient relations associated with resource mobilization and allocation; and governance reforms that can lead to improved and sustainable revenue yields and services.

More specifically, the project aims to contribute knowledge and policy analysis about how to:

- bridge the funding gaps for meeting key global development targets and social programmes in poor countries;
- enhance national ownership of development programmes and policy space, which is linked to improved fiscal capacity;
- improve understanding of the politics of revenue and social expenditure bargains and effective accountability of governments to citizens; and
- connect the literatures on the politics of resource mobilization and the politics of social provision in poor countries.

The Issue

Improving human well-being has been at the centre of international development policy in recent years. This is particularly evident in the Millennium Development Goals (MDGs) and a number of other target-setting initiatives by regional institutions and development agencies. Governments have also come under pressure from citizens to provide more and better services. Demands for improved services have been aided by the rights and freedoms unleashed by democratization processes, in which voters compel governments to show results in order to be elected.

However, it is increasingly clear that many low and lower middle-income countries have weak fiscal capacity and would require additional resources to honour their global and national commitments. Foreign aid plays a large role in the public finances of these countries, and there have been strong calls on donors to scale up aid as part of the campaign to meet the global targets. However, although aid has increased since 2007, reaching a record high of USD129 billion and representing 0.32 per cent of gross national income (GNI) of Development Assistance Committee (DAC) countries in 2010, many donors have failed to honour their pledges, citing fiscal constraints induced by the global financial crisis. Furthermore, only five DAC countries' overseas development assistance (ODA) meets the United Nations target of 0.7 per cent of GNI. Estimates by the MDG Gap Task Force Report (UN 2011) also show big gaps in meeting ODA commitments targeted to least developed countries (LDCs) and Africa, as well as a shortfall for 2010 in the ODA commitments agreed at the 2005 G8 summit in Gleneagles. Indeed, the Organisation for Economic Co-operation and Development's (OECD) survey of donor spending plans for 2011–2013 shows that ODA will grow by only 2 per cent as opposed to the 8 per cent growth in the previous three years (UN 2011; OECD 2011).

If one also takes into account estimates by the World Bank and the International Monetary Fund (IMF) (2011) that aid flows take about 12 years to recover from a financial crisis, then developing countries cannot rely only on this source of funding if they are keen to meet their global targets and respond to the needs of their citizens. They will have to increase efforts in mobilizing domestic resources. Indeed, the importance of domestic resource mobilization is becoming evident to both recipient and donor governments. From the perspective of recipient governments, even if ODA improves substantially, it often comes with conditions, such as buying donor goods and services, giving donors considerable space in the policy process, as well as delays and uncertainties in aid disbursement. Many of these countries, especially those whose governments have embraced a developmental approach to poverty reduction, have introduced measures to increase domestic revenues.

At the same time, donors increasingly hold the view that aid can be made more effective when linked to efforts by recipient governments to mobilize domestic resources.[1] In the Monterrey Consensus that followed the Conference on Financing for Development in 2002, donors pledged to increase aid in return for improved tax efforts by developing countries. In the face of persistent poverty and reports of aid mismanagement, critics of aid have become vocal, and sections of voters in donor publics are either weary of aid or insist on aid delivering clear results. A growing body of literature even sees aid as a curse that stifles development and democratic accountability of governments to citizens.[2] Furthermore, much of the wealth of poor countries—especially those that are resource-rich—is siphoned out as capital flight, raising questions about the value of aid in such settings. Some estimates suggest that the amount of money that is channelled illicitly from poor to rich countries through tax havens is higher than ODA (Shaxson 2011).

Discounting the more extreme calls for dismantling aid or handing donor funds directly to poor people, one interesting view in this debate is that of restoring aid to its original goal of filling domestic resource gaps and for donors to demand that recipient governments take responsibility for their development, by controlling capital flight, improving domestic revenue yields, and being accountable for the aid they receive. It has been estimated that aid that targets domestic resource mobilization can lead to a 10-fold increase in domestic revenue yields in Africa (Bhushan and Samy 2010). From this perspective, if aid and domestic resource mobilization work in tandem, recipient governments will be more responsive to the constituencies that provide the resources, that is, citizens and donors. The growing literature on aid, taxation and governance has tended to reflect this shift in focus on the financing of development.[3]

However, support for domestic resource mobilization does not guarantee that the desired amount of resources will be generated, let alone allocated to preferred programmes, or that the burden of resource extraction will be distributed fairly among different population groups. Issues of contestation and bargaining are bound to influence the extent to which governments can succeed in extracting resources from their populace. Bargaining may involve acceptance by citizens of governments' tax and savings plans in exchange for services, social protection, employment guarantees and income support—

[1] United Nations 2003; Bhushan and Samy 2010; OECD 2010.

[2] Easterly 2003; Moyo 2009; Collier 2007; Moore 2004.

[3] Moore 2007; Brautigam, Fjeldstad and Moore 2008; OECD and AFDB 2010; Culpeper and Bhushan 2008; Gupta and Tareq 2008; di John 2010; African Economic Outlook 2010.

making the politics of domestic resource mobilization inextricably interconnected with the politics of social development.

Resource Bargains

Resource extraction and expenditure are closely connected. In general, governments cannot spend what they do not have unless they can borrow or receive assistance from domestic and external sources. However, even for rich countries, excessive borrowing can lead to unsustainable debt, which may compromise future growth and well-being. At the same time, governments rarely borrow to finance social expenditures, since repayment ultimately depends on the ability to generate revenue. Therefore for most successful countries, the financing of social development—such as education, health, and welfare protection—often involves resource bargains as the money has to be raised from citizens. However, many low-income countries have been unable to fully finance social development since the 1980s and 1990s following far-reaching economic crises and adoption of stabilization policies recommended by the international financial institutions (IFIs). First with social services, and more recently with social protection, governments in poor countries increasingly depend on foreign donors to meet their social commitments and responsibilities.

Dependence on IFIs for macroeconomic policy reform, and on donors more generally for financing social development, has defined the politics of resource mobilization in two important ways. First, resource mobilization has been treated as a technical issue that does not require attention to politics and bargaining with citizens. The primary goal has been to ensure that reforms facilitate trade liberalization by substituting consumption taxes for import and export taxes; producing neutral, simplified and predictable tax systems; and weakening the redistributive role of taxation through discouragement of high marginal tax rates (Fjeldstad and Moore 2008; Stewart 2002). Independent revenue authorities, which have grown rapidly across regions, are expected to guide the transformation to a depoliticized and market-friendly tax regime.

At the same time, donor dependence has tended to free low-income governments from the responsibility of striking bargains with their citizens. Instead, rather perversely, resource bargains between aid-recipient governments and donors have gained more prominence in public policy. Donor initiatives, such as the Highly Indebted Poor Countries (HIPC) programme that provides debt relief to indebted countries and the Gleneagles commitments to increase aid to poor countries have been increasingly framed in terms of bargains: poor countries that receive aid need to channel more resources towards social sectors emphasized by the MDGs, respect human rights and demonstrate commitment to, and capacity for, improved governance. Indeed, the United States' Millennium Challenge Account uses 16 indicators on governance, human development and economic freedom to determine its aid allocation to low-income countries. These kinds of bargains have led to more intensive donor involvement in the policy-making systems of low-income countries. In Mozambique, a group of 19 donors who provide general budget support to the government meets regularly with the government to discuss social performance, which includes targets on universal primary education, basic health services and HIV/AIDS (de Renzio and Hanlon 2008; UNRISD 2010).

It can be argued that largely because of these two developments, much of the literature on the politics of social development in poor countries has focused on the expenditure or demand side of development. This literature includes trade union resistance to public expenditure cuts or welfare state contraction; politics of expanding coverage to excluded groups and regions; campaigns to introduce new social programmes for certain categories of people; and political pressures to limit the negative effects on the poor of privatization of services or removal of subsidies from essential commodities. Even when financial issues are addressed, such as user fees, the arguments are usually couched in terms of access and control of government expenditures, and are less concerned about raising revenues to fund services. Indeed, the money saved from user fees is often so small that it cannot even pay for the administrative cost of collecting the fees.

It is important to note, however, that the literature on established welfare states is not divorced from issues of resource generation or taxation. Rich countries on the average spend more on social development because they collect more taxes than low- and middle-income countries. However, there are significant variations in tax efforts even among rich countries. Those that spend more on social development (Austria, Belgium, Denmark, Germany, Netherlands, Norway and Sweden) collect more taxes than those that spend less (Australia, Ireland, Japan, United Kingdom and United States) (Tanzi and Schuknecht 2000). Variations in social expenditure and the size of the welfare state are a product of competing values on rights and differences in power relations or bargains that shape tax regimes (Steinmo 1993). Countries with relatively universal social protection regimes do not only tax more but also tend to incorporate more people in the tax net (Steinmo 1993; Huber and Stephens 2001). Indeed, it has been shown that the redistributive effects of universal social policies become progressive only when taxes (in which the rich pay more than the poor) are factored into the analysis (Mkandawire 2005; Korpi and Palme 1998).

However, it is crucial to note that resource bargains have also informed the development experiences of many developing and emerging economies. Singapore’s high savings rate of about 50 per cent was achieved through setting up a provident fund into which every wage earner paid in mandatory monthly savings with proportional contributions from employers (UNRISD 2010; Huat 2005). This fund has been central to the country’s universal provision of housing and funding of other social needs. High savings rates in the Republic of Korea and Taiwan Province of China that funded rapid industrialization were also tied to provision of services, job security and social insurance, especially for workers in state sectors and key industries. The universal provision of primary education in western Nigeria during the 1950s and 1960s was also based on a bargain between the regional government and farmers. The government used the surpluses generated by the cocoa marketing board to support its development programme as well as cushion the incomes of farmers and provide social services to the wider public (Helleiner 1964; Wheeler 1968). Mining companies in many poor countries also struck social bargains with governments and mining populations during the early period of independence in the form of health clinics, educational programmes and community services (Ferguson 2006). Similar bargains are being revived today as mineral extraction expands in many countries, and community groups, non-governmental organizations (NGOs) and informed citizens insist on environmental standards and good social returns.

The concept of resource bargain implies negotiation and less use of coercion in extracting resources. The large literature on taxation and state building in early modern

Europe[4] focuses largely on what Moore (2008, pp. 45-46) calls “the exchange of tax revenues (for the state) for institutionalized influence over public policy (for citizens)”. In this bargain, European states wanted resources to finance wars and citizens wanted “representative, responsive and effective government”. However, contemporary resource bargains address provision of social benefits very explicitly. With representative institutions already established in most countries that have experienced democratization, the process of meeting the social part of resource bargains may help to enhance the quality of representation and governmental responsiveness.

Bargaining can be formal and direct, as well as informal, implicit and indirect. Formal bargaining may take the form of fiscal pacts, insertion of fiscal issues in welfare and wage negotiations, and earmarked taxes that have gained prominence in the public finances of local governments. However, most resource bargains in poor countries are indirect, implicit and informal, which may explain why they have not received much scholarly attention. They usually occur when tax systems are being reformed. For instance, value added taxes (VAT) that have been introduced in many poor countries often elicit much debate, claims and counter-claims, and may lead to militant campaigns or tax boycotts. The process can stimulate formation of tax advocacy groups, governmental engagement with tax payers and further reforms, which may set broad parameters on taxation and social services. In Sierra Leone, for instance, public resistance to the introduction of the Goods and Services Tax in 2009 (which is another name for VAT) forced the government and its key donors to link the new tax to improved provision of services.

Resource bargains can also occur when governments sign agreements with business corporations, especially those in the mining sector. Many poor countries are resource-rich. During the 1980s and 1990s, as these countries experienced crises and conflicts, their ability to bargain effectively with corporations was eroded. Mining companies in particular enjoyed generous tax concessions and protections and had fewer links with communities. However, concerns for environmental and labour standards, citizen activism on resource extraction issues, and pressure by mining communities for a fairer share of mineral rents have produced a variety of resource bargains in many countries. Most of the bargains are still lopsided, and there is a lot of resource leakage out of the economy as companies exploit loopholes in the tax system and pressure or bribe government elites to relax controls on tax evasion. However, public awareness and mobilization for better bargains, including higher returns to the national economy and social investments, have increased.

Pressures for resource bargains can also emanate from the social expenditure side when citizens demand more and better services. Governments are then forced to generate the necessary resources by asking citizens and corporations to pay more taxes. Social expenditure-driven resource bargains can be particularly important in the contemporary context of global target setting. Such targets include the UN Millennium Project’s call on poor countries to mobilize an additional 4 per cent of their GDP to fight poverty; the International Labour Office’s (ILO) social protection floor initiative which requires governments to commit 4.5 per cent of their GDP to basic social protection; the target of 20 per cent of government expenditure for education set by the Education For All Track Initiative; the target of 1 per cent of GDP required to meet the Millennium Development

[4] Levi 1988; Brewer 1988; Tilly 1975; Braddick 1996; Dauton 2001.

Goal on access to water; and various other targets on infrastructure and agriculture. As Hagen-Zanker and McCord (2011) have shown, meeting these targets requires trade-offs and mobilization of extra resources.

Three issues addressed in Margaret Levi's (1988) analytical framework on tax bargains and state formation in Europe is important for understanding resource bargains in poor countries. The first is that resource bargains are always imperfect in the sense that both governments and tax payers may not fully comply with the contracts. Especially when linked to provision of public goods, citizens may want to free-ride or evade tax payment while still enjoying the service that others have paid for; and governments may under-supply public goods once normal politics are resumed after the events that led to the bargains. The second is that citizens may comply with tax bargains when they are perceived as fair in terms of the level and progressivity of taxation, and when all tax payers honour their commitments. Tax evasion or revolt is likely to be high when each of these is compromised. The third is the credibility of governments to deliver their own part of the bargain in providing public services. This is especially important in low-income countries where the track record of governments in delivering services has been poor since the period of economic stabilization. How governments restore or signal credibility is therefore crucial in understanding the politics of resource mobilization.

Types of Domestic Resources

UNRISD research (UNRISD 2010; Hujo and McClanahan 2009) has thrown light on a range of resources that can be generated to finance social development. These include taxation, social insurance schemes, ODA, remittances and mineral rents. One key insight from research is that domestic sources of financing—such as taxation and social insurance—foster better synergies between economic and social development as well as contribute to more accountable government than ODA, remittances and mineral rents. The UNRISD research also finds that high-tax regimes are generally associated with countries with diversified economies in which manufacturing plays a leading role. Tax revenues tend to be lower in countries where agriculture, services and mineral rents are dominant.

Two types of resources have featured in debates on domestic resource mobilization. These are taxes and levies; and public and private savings. Low-income countries collect on average much fewer taxes than middle- and high-income countries. Tax efforts in low-income countries have traditionally favoured international trade taxes, which are less costly to collect, rather than personal income, corporate and property taxes (UNRISD 2010). Most people earn a living in the informal economy or in small-scale agriculture, sectors that are often difficult to tax; the corporate sector is very small and property-owning groups are often powerful enough to evade taxes or influence tax policies.

However, trade liberalization associated with globalization, which has reduced tariff rates worldwide, is making it difficult for countries to rely on trade taxes to finance development programmes. Governments have been forced increasingly to raise consumption taxes (VAT), which, though regressive, reach a large section of the population, and thus have the potential to substantially increase state revenues. Consumption taxes have been complemented by user charges and increased levies on utilities and other services. The latter have assumed importance in local governments. Consumption taxes, charges and levies have generated protests across a number of countries where they have been implemented. In some countries, governments have also come under pressure from citizen groups to raise the level of taxes paid by corporations and property owners. Such pressures have grown in mineral-rich countries that are enjoying a boom in commodity prices. Indeed, the commodity price boom has contributed to the reported decline in aid dependency (Actionaid 2011). How to increase revenue yields from minerals and allocate them to social and other development programmes has gained prominence in public policy debates in poor mineral-rich countries.

The second type of resource is private and public savings. The savings rates of low-income countries, which increased in the 1960s and 1970s, fell sharply in the adjustment years of the 1980s and 1990s and still remain low (UNRISD 2010; UNCTAD, 2007). Income level, the size of the working population, the economic and political environment, and availability of savings instruments determine the ability and willingness of citizens to save. Household savings in the formal financial sector account in many low-income countries for less than 10 per cent of GDP. However, many households hold non-financial assets as savings, such as real estate, cattle, commodities, and jewellery; and there are a number of informal credit institutions that provide financial services to low-income groups that are not captured by official statistics. These two types of savings tend to be precautionary, small-scale, irregular and short-term, and can lead to periods of dissavings (UNCTAD 2007). However, the situation may be changing with the proliferation of private banks in urban areas and rural towns, and the use of innovative savings and loans strategies to penetrate low-income groups with a high turnover of liquid cash (Beck et al. 2009). Indeed, the financial sector is among the fastest growing sectors in low-income countries today. Given the dismantling/weakening of many development banks during the adjustment period, the channelling of savings into productive and welfare-enhancing sectors—including micro and medium enterprises—cannot be guaranteed.

Public savings are another source of revenue that could play a role in economic development and service provision. However, they also experienced a decline in the 1980s and 1990s as terms of trade for key commodities deteriorated, economies were plunged into crisis and governments came under pressure to pay foreign debts. In recent years, governments across low-income countries have been developing national social security schemes to provide old age, invalidity and survivors benefits, and in some cases health protection to citizens (SSNIT.com). Starting with public sector employees, the schemes increasingly cover formal business employees, and strategies aim to extend coverage to the informal sector. Given the youthful age structure of the working population, the relative newness of the schemes and the period it will take for benefits to mature, these schemes have generated large amounts of funds and are now an important source of public savings. They have provoked public debates and contestation about coverage, premiums and investment of the collected funds.

This study will focus largely on taxes and levies, which tend to generate intense and complex processes of contestation and bargaining between states and citizens.

Research Themes, Hypotheses and Questions

The project will address three research themes: contestation, claims and bargaining over issues of resource generation and allocation; changes in relationships among key actors; and institutional development associated with the dynamics of resource mobilization and service provision.

Research on the three themes will be guided by the following hypotheses:

- Resource bargains that yield improved revenues to governments and social benefits to citizens require effective state engagement with citizens.
- Successful revenue bargains reduce donor influence in policy-making processes of recipient states. However, improved fiscal capacity in recipient states either reduces dependence on foreign aid or encourages donors to provide more aid to successful countries.
- Institutional development in revenue generation sectors has spillover effects on institutions in social sectors as the links between resource generation and social provisioning become established in the strategies of governments and citizens.

Contestation, bargaining and outcomes

Domestic resource mobilization generates conflicts over types of resources to be mobilized, who pays, who and what is exempted, how much should be paid, and how the resources collected should be allocated across sectors, groups and communities. This suggests that issues of coverage, tax and premium levels, and outcomes in terms of resource yields, allocation and benefits cannot be predetermined. This theme will examine the nature of resource bargains in specific countries, the types of resources and social programmes involved in bargains, trade-offs among competing programmes and resources and resource yields. It will address the following issues:

- economic structures and resource profiles of countries as they have evolved historically;
- government strategies to mobilize resources and control capital flight; which types of taxes are given prominence and why; institutions and policies that guide resource mobilization strategies, including tax offices, anti-corruption commissions, and the banking and legal systems;
- public contestation of resource mobilization strategies; groups involved; types of taxes that are open to contestation and why; nature of resource bargains;
- outcomes: resource yields, allocations and benefits; and
- relative shares of domestic revenue and ODA in meeting funding gaps of key global development commitments.

The institutional contexts for contestation and bargaining may differ across countries and will have to be addressed. These include the extent to which basic rights for contestation exist; the structure of interest group and party formation around issues of resource generation and social provision; and institutions that exist for channelling claims and regulating conflicts in public policy.

Changes in key relationships

The second theme seeks to understand changes that are occurring in key relationships as a result of the dynamics of resource mobilization and allocation. It will engage the growing literature on taxation and governance, which emphasizes the importance of contractual relations between citizens and states for effective mobilization of domestic resources. Two types of relationships will be examined:

- *State-citizen relations*. The history of resource extraction in many poor countries is associated with coercion and authoritarian rule (Fjeldstad and Therkildsen 2008). However, calls for generation of more revenues and social expenditure have coincided with greater openness of political systems and rights of independent organization and contestation. The key issue is whether citizen contestation of tax and savings policies and demands for improved services encourage governments to opt for more consensual styles of policy making; resort to less use of coercion as an instrument of state policy; and engage citizens more constructively on tax issues. To what extent do the politics of resource mobilization lead to a redefinition of state-citizen relations in different countries?
- *Donor-recipient relations.* Although the project will focus largely on domestic resource mobilization, it is clear that donor-recipient relations are likely to be affected by changes in the domestic scene. The study will engage the literature on aid and governance that posits a link between domestic resource mobilization, fiscal space and national ownership of programmes. Does improvement in domestic resource mobilization lead to more fiscal space and autonomy in policy making? Does domestic success influence donor strategies in allocating aid, which in recent times has been geared more towards social services than infrastructure and productive activities?

Institutional development

Success in resource mobilization and service provision requires institutional development. To support stabilization policies and revenue mobilization, governments in low-income countries have, through the support of the international financial institutions, strengthened institutions in the financial sector: ministries of finance, tax offices and central banks. Independent revenue authorities have been created that provide a set of incentives on careers, pay and training, as well as granting of autonomous powers to officials tasked with revenue collection. However, institutions concerned with service provision have been neglected and are usually the first targets for retrenchment and cuts. This theme will examine the extent to which the politics of domestic resource mobilization generate pressures for upgrading of institutions entrusted to deliver services.

The research will address the following questions:

- What types of reforms have been implemented in tax offices and social delivery agencies?
- Are there spill-over effects of institutional development in tax offices on governance reforms in social delivery agencies that can be traced to the politics of resource bargains?
- Are revenue authorities changing their mode of engagement with citizens to earn legitimacy and generate more revenue?
- Are social delivery agencies changing the way they provide services to citizens?

Choice of service delivery institutions will vary across countries as they depend on preferences of, or bargains struck between, citizens and governments.

Methodology

Researchers will generate primary data and analyse official records or administrative data, public finance statistics, documents of companies and advocacy groups, newspaper clips and published information to address the three themes of the project.

The primary data will consist of semi-structured interviews of key government officials in tax offices, finance and social ministries, as well as a selection of key business and bank officials, donor representatives in countries where research will be conducted, and advocacy groups concerned with issues of taxation and social provision. This data will complement other types of data in analysing resource bargains, changes in state-citizen and donor-recipient relations, and institutional development.

Official records will be important for analysis of government strategies on revenue generation, including control of capital flight and social provision; governmental engagement with citizens and business groups on taxes, wealth repatriation and social services; changes in government relations with donors; and development of revenue and social service institutions.

Public finance statistics will provide information on revenue sources and their relative weights in total revenue, as well as trends in aggregate tax efforts. They will also provide insights on patterns and levels of expenditures across sectors and programmes, as well as on the contribution of domestic resources in meeting key global targets on social development.

Documents of companies and advocacy groups will provide insights on claims, contestation and bargaining strategies of tax payers.

Newspaper clippings will be relevant for gauging public debates on taxation and social provision.

Analysis of changes in key relationships will require construction of a few qualitative "indicators" of change, which will have a time dimension. For the analysis of donor-recipient relations, for instance, the following indicators may be useful: relative shares of taxation and aid in total revenues; number and value of government programmes financed by domestic revenues; and policy autonomy (for instance, changes in involvement of donors in shaping polices, placing of donor personnel in key ministries, and types and frequency of donor-recipient meetings). The indicators will be clarified at the first methodology workshop.

Data on institutional development will focus on pay incentives, career development, improvements in capacities to tax and deliver services, and changes in methods of engagement between citizens and tax offices, and citizens and service delivery institutions.

Country cases

The research will focus on low and lower middle-income countries. According to the World Bank's classification of countries, there are 53 low-income and 55 lower middle-income countries. Five countries will be selected from this list, with at least three from low-income countries, most of which are aid-dependent. Some lower middle-income countries are among the top recipients of ODA, even though the share of ODA in their budgets is low. It will be useful to include in the study at least one lower middle-income country that receives large amounts of ODA and that has a relatively diversified economy. Efforts will be made to ensure that the countries selected will represent different types of economies. The structures of economies and development paths may have a bearing on tax strategies and resource yields (UNRISD 2010). The selection will be based on one or two countries (from Africa and Asia) in which the agricultural sector is dominant in terms of GDP, employment and exports; one or two countries (from Africa and Latin America) in which mineral rents are important in terms of GDP and exports; and at least one country with a growing manufacturing sector, in which manufacturing products have overtaken agriculture in export value. Preference will be given to countries with more open political systems and where contestation over tax issues has been prominent in recent years.

For each country there will be a country coordinator and up to three country researchers, bringing the total number of researchers in each country to a maximum of four. The country coordinator will be responsible for coordinating the project in each country, for gathering and collating the information garnered from the field research, for producing the final country report and chapter in the edited publication that will follow, and for organizing the country-level methodological workshop. Each of the country researchers will be responsible for one of the research themes, ideally examining each theme from both a qualitative and quantitative standpoint. Country coordinators will be required to attend an international methodology workshop in the first quarter of 2013. They will also be required to convene a national methodology workshop shortly afterwards. Country researchers will be required to attend the national methodology workshop and may also be required to attend the international methodology workshops.

Project duration

The research period is expected to be two years and will run from 2013–2014. Follow-up activities, including the publication of a book or special issue of a journal from the research findings, is expected to take place in 2015. Methodology workshops (national and international) will occur in the first quarter of 2013. Field research will take place in 2013, and final research reports are expected to be compiled by the end of 2014.

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