



PCT Workshop on the Role of Taxation in Achieving Gender Equality

Inclusive Growth and Post-Pandemic Recovery

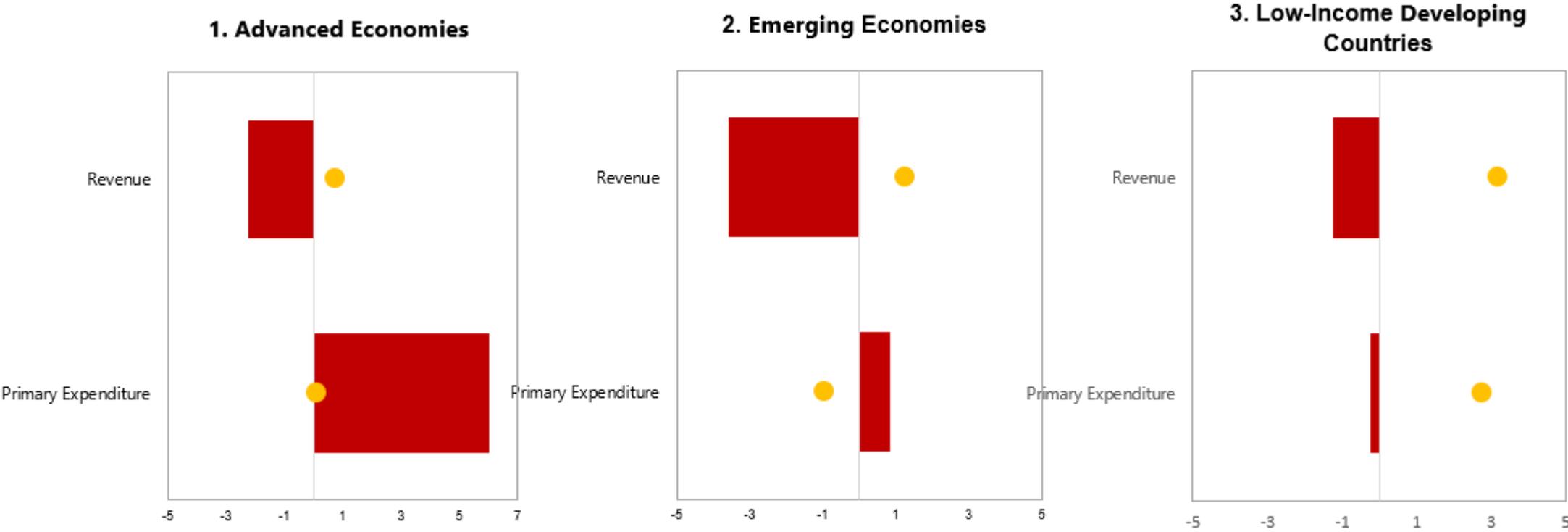
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"The views expressed in this presentation are of the authors and do not necessarily represent the views of the IMF, its Executive Board, or IMF management."

Change in General Government Expenditure and Revenue

Revenues fell everywhere, whereas pandemic-related spending was higher in advanced economies



Percent of GDP, 2019-20

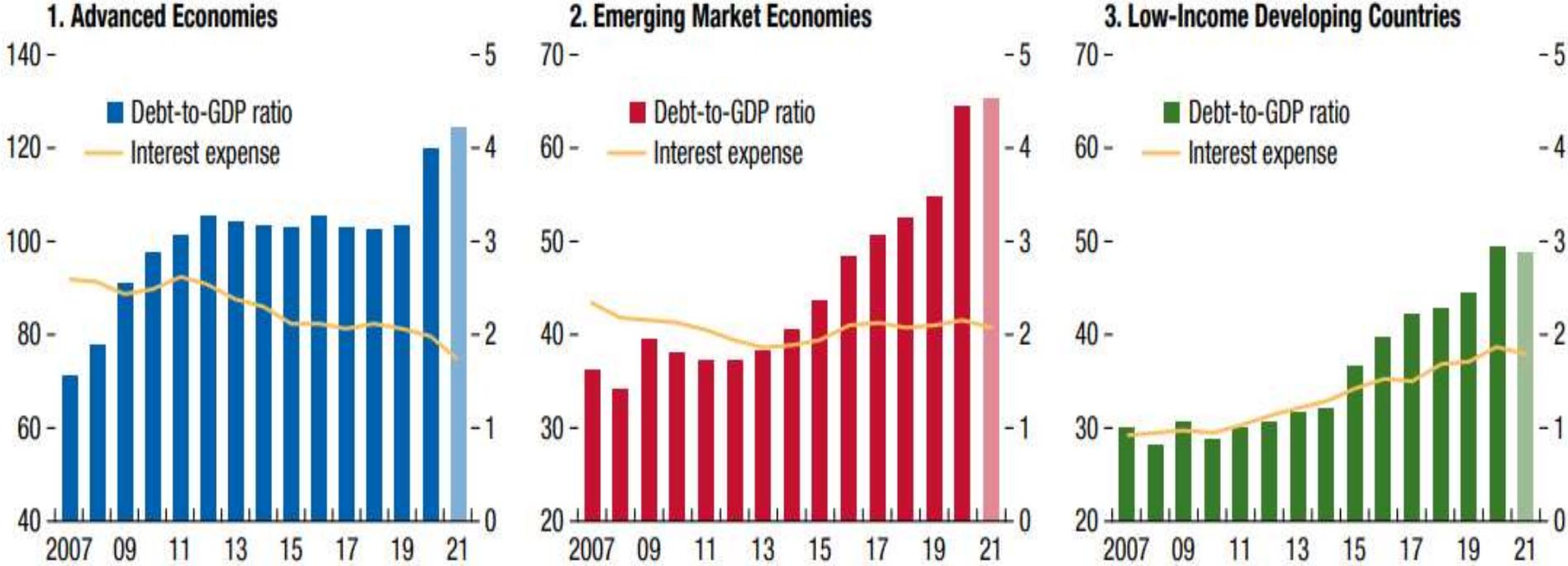
Source: IMF Fiscal Monitor April 2021

■ 2020 minus 2019

● 2021 minus 2020

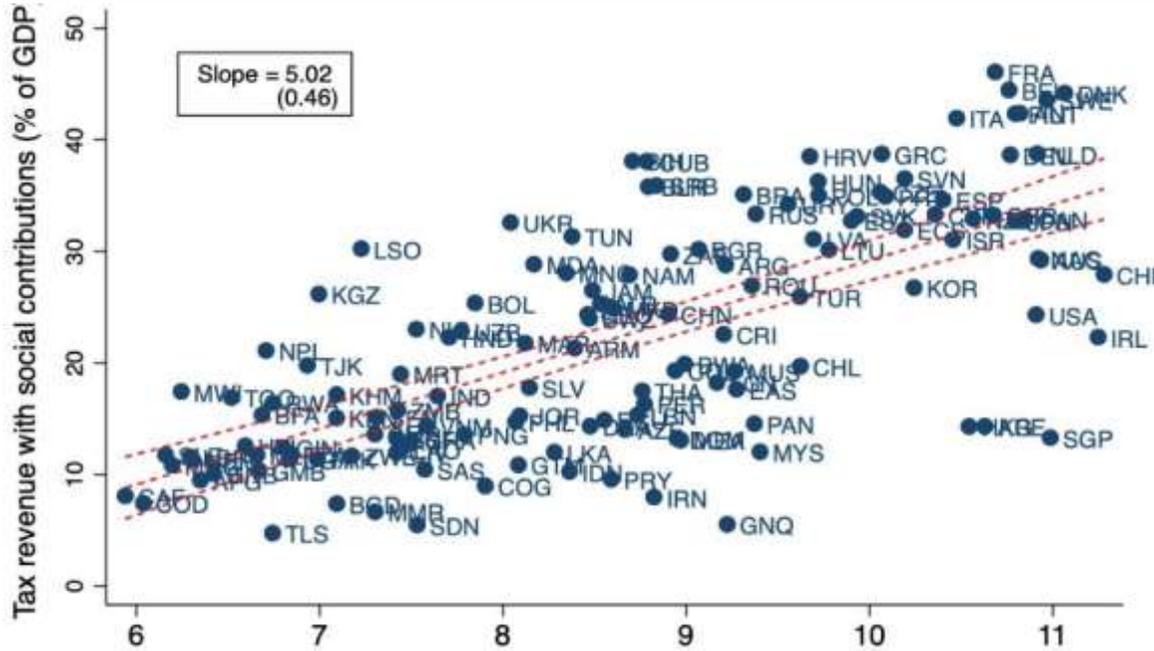
Interest Expense and Government Debt

Despite rising public debt levels, interest bills are lower in advanced and emerging market countries

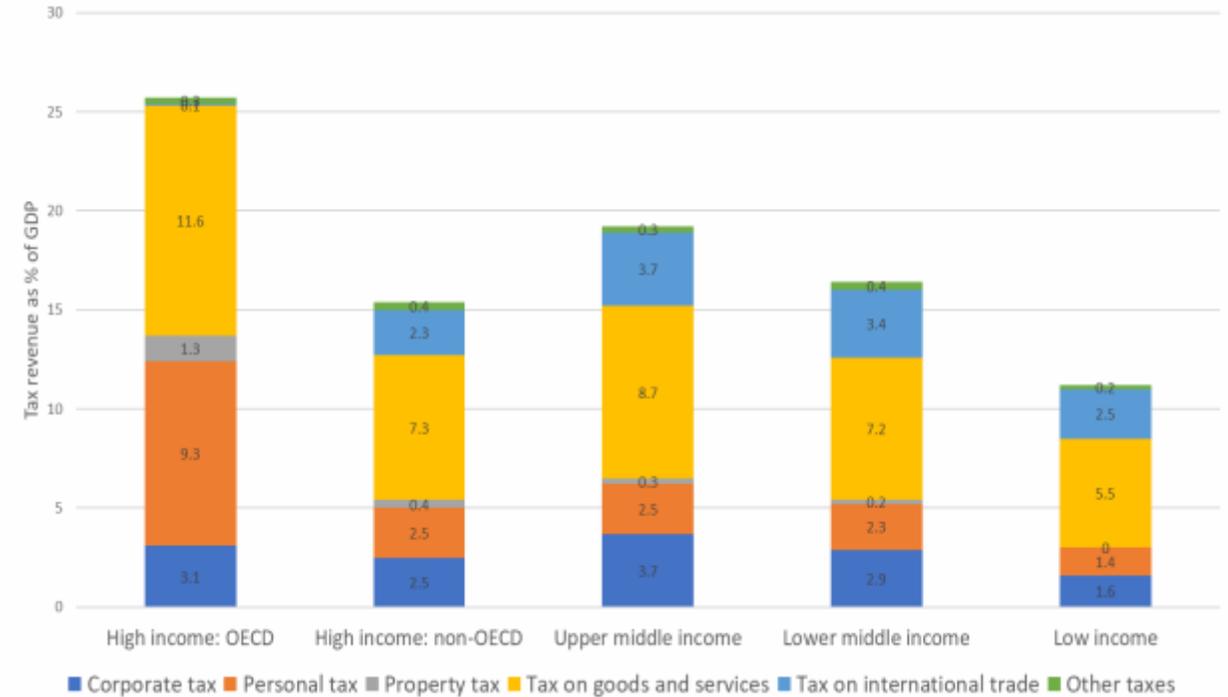


Percent of GDP; debt-to-GDP, left scale; interest expense, right scale
Sources: IMF Fiscal Monitor April 2021

Lower income countries collect less taxes as a share of GDP

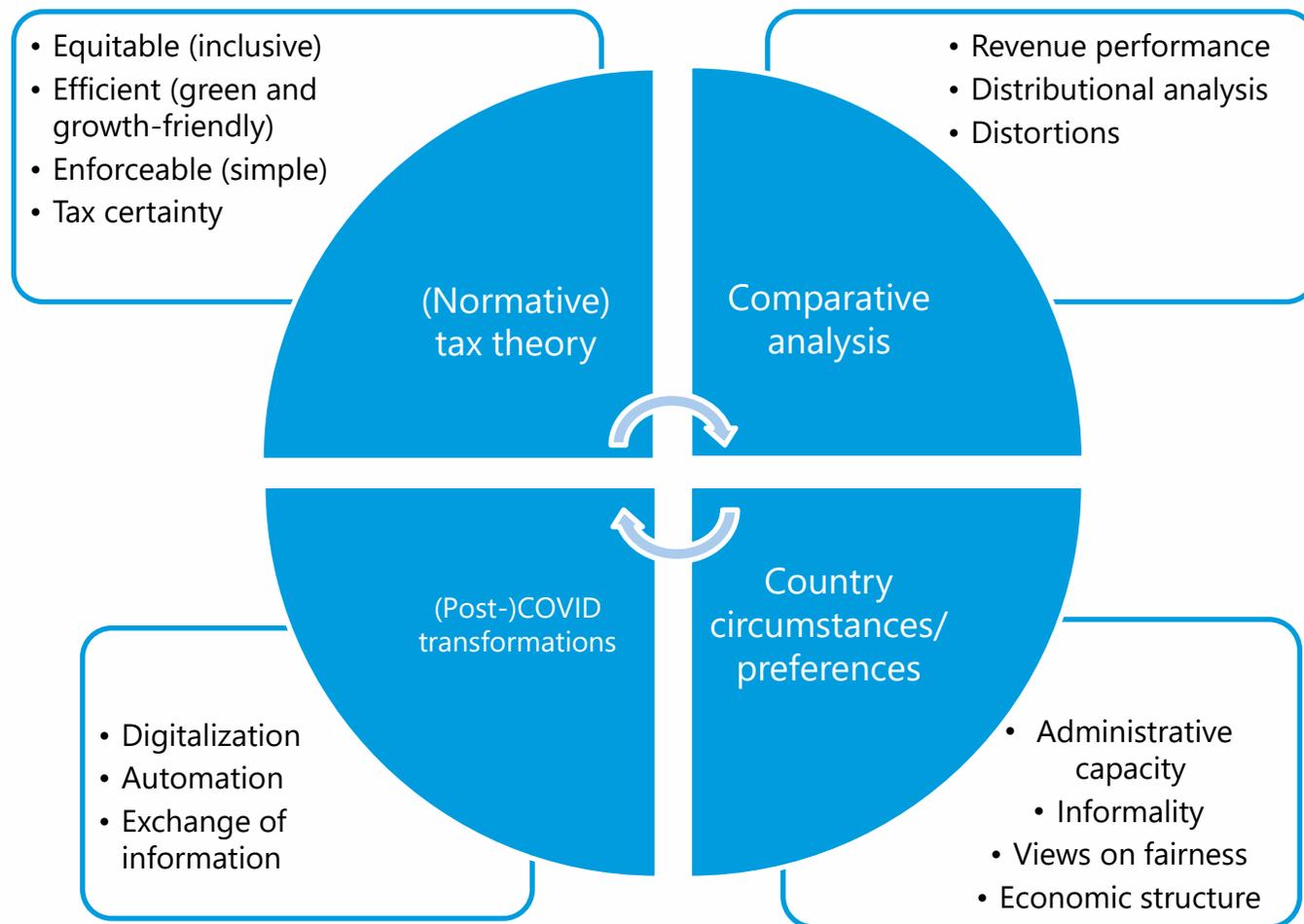


Log GDP per capita (constant 2010 US\$)
 Source: ICTD/UNU-Wider 'Government Revenue Dataset' 2020 & WDI



Tax revenue composition by income level, tax type
 Source: World Bank

Taxation for the post-COVID world: Framework for assessment



• Key priorities post COVID

- (Re-)build tax capacity
- Exploit digitalization
- Support green recovery
- Progressive tax reform
- International corporate tax

Tax Policies for Inclusive Growth

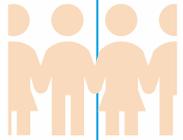
Inclusive

- Progressive taxes – a rising average tax with income or wealth
- Other dimensions:
 - Gender equity
 - Generational equity
 - Equality of opportunity
- Note that “tax incidence” not always straightforward

Growth

- Minimize tax distortions in eg:
 - Employment
 - Investment and saving
 - Innovation/productivity
- Corrective role of tax
 - Environment, health

Revenue Administration: Recovery and Revenue Revitalization



Protect – staff, taxpayers,
and agency



Safeguard revenue and
support government



Recover and revitalize
revenue

- Focus on:
 - ◆ **Tax types**
 - ◆ **Key revenue streams**
 - ◆ **Tailored approaches**
 - ◆ **Industry focus**
- Make compliance easier – **digitalization.**
- Promote **diversity and inclusion.**
- Establish **medium term revenue strategies (MTRS)** – social contract, align revenue recovery with financing development.
- Pursue International tax cooperation.
- New tools, services, data, **enhanced technology.**