

## **FINANCING FOR DEVELOPMENT AFTER ADDIS ABABA? MAINSTREAMING TAXATION FOR STATE-BUILDING AS KOREA'S STRATEGY FOR THE SUSTAINABLE DEVELOPMENT GOALS**

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### **ABSTRACT**

The launching of the 2030 Agenda for Sustainable Development in September 2015 is seen as a historic advancement of international development cooperation to achieve 17 universal goals. Such a critical juncture, however, needs to secure massive sources of development financing, which are used as financial supports to cover all the programmes carrying out the sustainable development goals (SDGs). In July 2015, the Addis Ababa Action Agenda (AAAA) was a logical outgrowth of international efforts to figure out the possibility of financial collaboration for the SDGs, even though the AAAA was confined to the reconfirmation of the Monterrey Consensus which was agreed back in 2002. This study sets out to investigate what can be the best financial solution to the SDGs, particularly developing countries after the AAAA, by undertaking domestic taxation and its relations to state-building as its main answer. How can the international community bring the aid-giving for tax reforms back into discussion on financing for development at the new round of the SDGs? How can Northeast Asian donors provide their own good practices of taxation within state-building? More precisely, what is the main lesson from South Korea's past experiences of tax reforms in the wake of state-building in the 1950s and 1960s? Lastly, how can all three donor countries in Northeast Asia – China, Japan and South Korea – collaborate with each other in order to conduct co-financing projects for tax reforms in developing countries?

Given that this history of state revenue production is the history of the evolution of the state, mainstreaming aid for tax reforms in developing countries as Korea's strategy for development financing in the era of the 2030 agenda for sustainable development becomes its fundamental moves to the new frontier for the capacity of states to carry out their goals, the conduct of state-society relations, and the balance between accumulation and redistribution that gives states their social character. Without the ability to raise revenue systematically, states are limited in the extent to which they can provide security, meet the basic needs or foster economic development. In a nutshell, taxation in state-building of development countries should be at the center of financial interventions that Asian donors need to take into consideration very seriously as a common and fundamental approach to financing for development after Addis Ababa.